

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-32237
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name MONTROYA
8. Well Number #1C
9. OGRID Number 173252
10. Pool name or Wildcat BLANCO MESA VERDE

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
PATINA SAN JUAN, INC

3. Address of Operator
5802 U.S. HIGHWAY 64 FARMINGTON, NEW MEXICO 87401

4. Well Location
Unit Letter O : 1180 feet from the SOUTH line and 1475 feet from the EAST line
Section 35 Township 32N Range 13W NMPM SAN JUAN County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5840' GL

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type Drilling Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water 1000'

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume _____ bbls; Construction Material SYNTHETIC

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☒
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

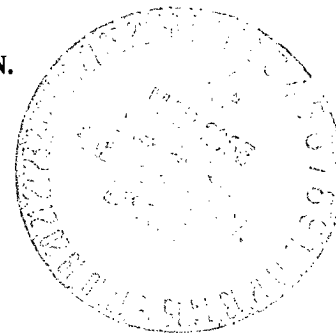
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

PROPOSED CHANGE TO DRILLING OPERATIONS:

CHANGE IN CASING AND CEMENTING PLANS PER ATTACHED DRILLING PLAN.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE [Signature] TITLE Regulatory/Production Technician DATE 03/01/05

Type or print name
For State Use Only

E-mail address:

Telephone No.

DEPUTY OIL & GAS INSPECTOR, DIST. 68

APPROVED BY: [Signature] TITLE _____ DATE MAR - 2 2005

Conditions of Approval (if any):

**Montoya #1C
General Drilling Plan
Patina San Juan, Inc.
San Juan County, New Mexico**

1. LOCATION:

SWSE of Section 35, T32N, R13W
San Juan, New Mexico

Field: Blanco MV
Surface: Fee
Minerals: Fee

2. SURFACE FORMATION, ESTIMATED TOPS AND WATER, OIL, GAS OR MINERAL BEARING FORMATIONS (TVD):

Surface formation – Nacimiento

<u>Formation</u>	<u>Estimated Formation Top (Ft)</u>
Ojo Alamo	1124
Fruitland	1424
Pictured Cliffs	2132
Cliff House**	3666
Menefee**	3964
Point Lookout***	4498
TD	4488

Legend: * Freshwater bearing formation
 ** Possible hydrocarbon bearing formation
 *** Probable hydrocarbon bearing formation
 # Possible H2S bearing formation

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected.

3. PRESSURE CONTROL EQUIPMENT:

BOP equipment will be tested to its rated working pressure or 70-percent of the internal yield of the surface casing, but not to exceed 1,000 psi. See attachments for BOP and choke manifold diagrams.

Production Hole BOP Requirements and Test Plan

11" – 2,000 psi single ram (blind)

11" – 2,000 psi single ram (pipe)

Test as follows:

- | | | |
|------------------------------|------------------|---------------|
| a) Pipe rams: | 1,000 psi (High) | 250 psi (low) |
| b) Choke manifold and lines: | 1,000 psi (High) | 250 psi (low) |

All ram type preventers and related equipment will be hydraulically tested at nipple-up. They will also be retested in either of the following events:

- A pressure seal is broken.
- 30 days have elapsed since the last successful test of the equipment.

Furthermore, BOP's will be checked daily as to mechanical operating condition. All ram type preventers will have hand wheels, which will be operative and accessible at the time the preventers are installed. See attached Exhibit for details on the BOP equipment.

AUXILIARY EQUIPMENT:

- a) Manually operated kelly cock (upper and lower)
- b) Full opening manually operated safety valves in the full open position, capable of fitting all drill stem connections.

4. CASING DESIGN:

Hole Data				
Interval	Bit Size (Inches)	Casing Size (Inches)	Top (Ft)	Bottom (Ft)
Surface	12.25	9.625	0	275
Production	7.875	4.5	0	4900

Casing Data							
OD (Inches)	ID (Inches)	Weight (Lbs/Ft)	Grade	Thread	Collapse (psi)	Burst (psi)	Min. Tensile (Lbs)
9.625	8.921	36.0	J55	STC	2,020	3,520	394,000
4.5	4.276	11.6	N80	LTC	6,350	7,780	223,000

MINIMUM CASING DESIGN FACTORS:

COLLAPSE: 1.125

BURST: 1.00

TENSION: 1.80

Area Fracture Gradient Range: 0.5 psi/foot

Maximum anticipated reservoir pressure: 1,250 psi

Maximum anticipated mud weight: 9.0 ppg

Maximum surface treating pressure: 3,800 psi

Float Equipment:

Surface Casing: Guide shoe on bottom and minimum of one centralizer on each of the bottom 3 joints (minimum of 3 total).

Production Casing: 4 1/2" whirler type cement nosed guide shoe and a float collar on top of bottom joint with a minimum of six (6) centralizers over potential hydrocarbon bearing zones.

CEMENTING PROGRAMS:

9-5/8" Surface casing:

165 sx of Type B cement with 3% CaCl_2 , plus 1/4#/sx cellofakes. 100% excess to circulate cement to surface. WOC 12 hrs. Pressure test surface casing to 1000 psi for 30 minutes.

Slurry weight: 15.6 ppg
Slurry yield: 1.21 ft³/sack

Volume basis:	40' of 9-5/8" shoe joint	17 cu ft
	275' of 12-1/4" x 9-5/8" annulus	86 cu ft
	<u>100% excess (annulus)</u>	<u>86 cu ft</u>
	Total	189 cu ft

Note:

1. Design top of cement is the surface.
2. Have available 100 sx Type III cement with 2% CaCl_2 for top out purposes.

4.5" Production Casing:

1st Stage:

Lead: 175 sx of Type III cement w/additives

Slurry weight: 12.0 ppg

Slurry yield: 2.55 ft³/sack

Tail: 190 sx of Type III cement w/additives

Slurry weight: 13.0 ppg

Slurry yield: 2.00 ft³/sack

Note:

1. Design top of stage one cement is $\pm 3000'$

2nd Stage: (Stage tool at $\pm 3000'$):

Lead: 270 sx of Type III w/additives

Slurry weight: 11.5 ppg

Slurry yield: 2.96 ft³/sack

Tail: 175 sx of Type III w/additives

Slurry weight: 12.0 ppg

Slurry yield: 2.55 ft³/sack

Note:

1. Design top of stage two cement is surface.
2. Actual cement volumes to be based on caliper log plus 30% if open hole logs are run.

Volume Basis:	40' of 4.5" shoe joint	4 cu ft
	4625' of 4.5" x 7-7/8" annulus	1054 cu ft
	275' of 4.5" x 9 5/8" annulus	89 cu ft
	<u>80% excess (annulus)</u>	<u>915 cu ft</u>
	Total	2062 cu ft

5. MUD PROGRAM:

The surface hole will be drilled with a native spud mud. Gel and polymer sweeps will be used from surface to 275 feet as necessary to keep hole clean.

The production hole will be drilled with water until mud up at about 3100 ft. From 3100' to TD the well will be drilled with a LSND mud. Anticipated mud weight ranges from 8.5 – 9.0 ppg. Mud weight will be increased as required to maintain hole stability and control gas influx.

Sufficient mud materials to maintain stable wellbore conditions (for either well control or lost circulation scenarios) will be maintained at the well site.

No chrome-based additives will be used in the mud system.

6. EVALUATION PROGRAM:

Mud logger: From base of surface casing to TD.

Testing: No DST is planned

Coring: None Planned

Electric logs: Surface Hole:
1) None

Production Hole:
1) No open hole logs planned.
2) Cased hole resistivity & porosity logs from TD to base of surface casing.