

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

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

Form C-103
Revised June 10, 2003

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.)		WELL API NO. 30-045-32238
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Patina San Juan, Inc.		6. State Oil & Gas Lease No.
3. Address of Operator 1625 Broadway, Suite 2000, Denver, CO 80202		7. Lease Name or Unit Agreement Name Freeman
4. Well Location Unit Letter <u>E</u> : 1955 feet from the <u>North</u> line and 660 feet from the <u>West</u> line Section <u>11</u> Township <u>31 North</u> Range <u>13 West</u> NMPM County <u>San Juan</u>		8. Well Number # 1C
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5701' GR		9. OGRID Number 173252
		10. Pool name or Wildcat Basin Dakota / Blanco Mesa Verde

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 COMPLETION ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐

OTHER: Down-hole Commingle; pre-approved pools ☒

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.

Patina San Juan, Inc. request approval to down-hole commingle the subject well. Patina plans to down-hole commingle the Basin Dakota (71599) and the Blanco Mesa Verde (72319) pools in this wellbore. The commingling of the pools are pre-approved per NMOCD Order #11563. The well will be initially completed in both the Dakota and Mesa Verde formations. Work will begin soon after approval.

See Attached Exhibits:

Wellbore Diagram, Allocation Method with supporting data, Statement of Commingle, Interest Owner Notification.

Please contact Gary Ohlman at 303.389.3600 with any questions.

DNC 1796AZ

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *[Signature]* TITLE Agent for Patina San Juan DATE 2/15/05

Type or print name Joe Mazotti E-mail address: jmazotti@eazy.net Telephone No. 720.352.0158

(This space for State use)

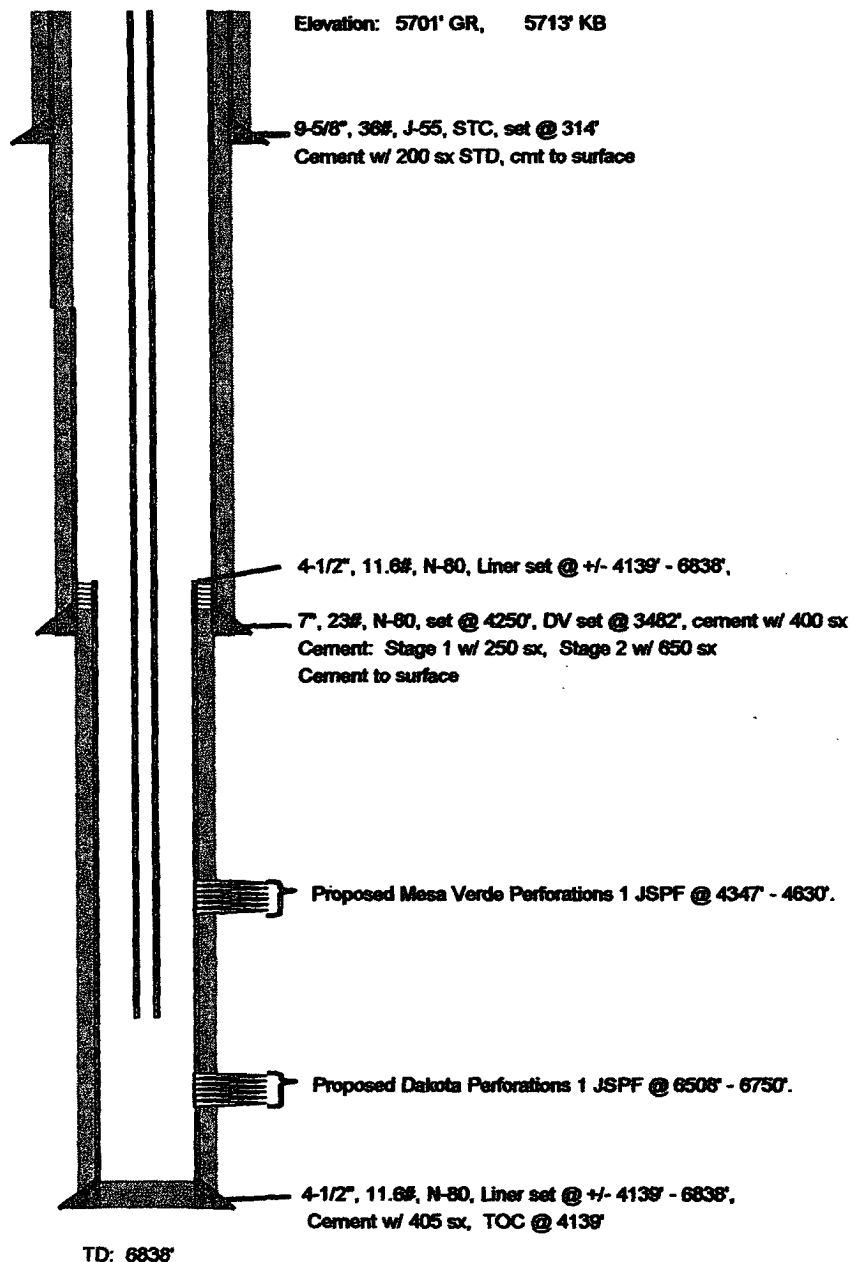
APPROVED BY *[Signature]* TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 10 DATE FEB 24 2005

Conditions of approval, if any:

PATINA

OIL & GAS CORPORATION

Freeman #1C Proposed Wellbore



Location: 1855' FSL, 660' FWL,
Section 11, T31N - R13W,
San Juan County, New Mexico

Field: Dakota / Mesaverde
Zone: Dakota / Mesaverde

Not to Scale

Recommended Allocation for Commingle

Well: Freeman # 1C

30-day average production based on Offset Well Performance
(see attached decline curves)

G a s	Zone	Average MCFD	Percentage of total flow
	MV	63	61%
	DK	40	39%
	Total	103	100%

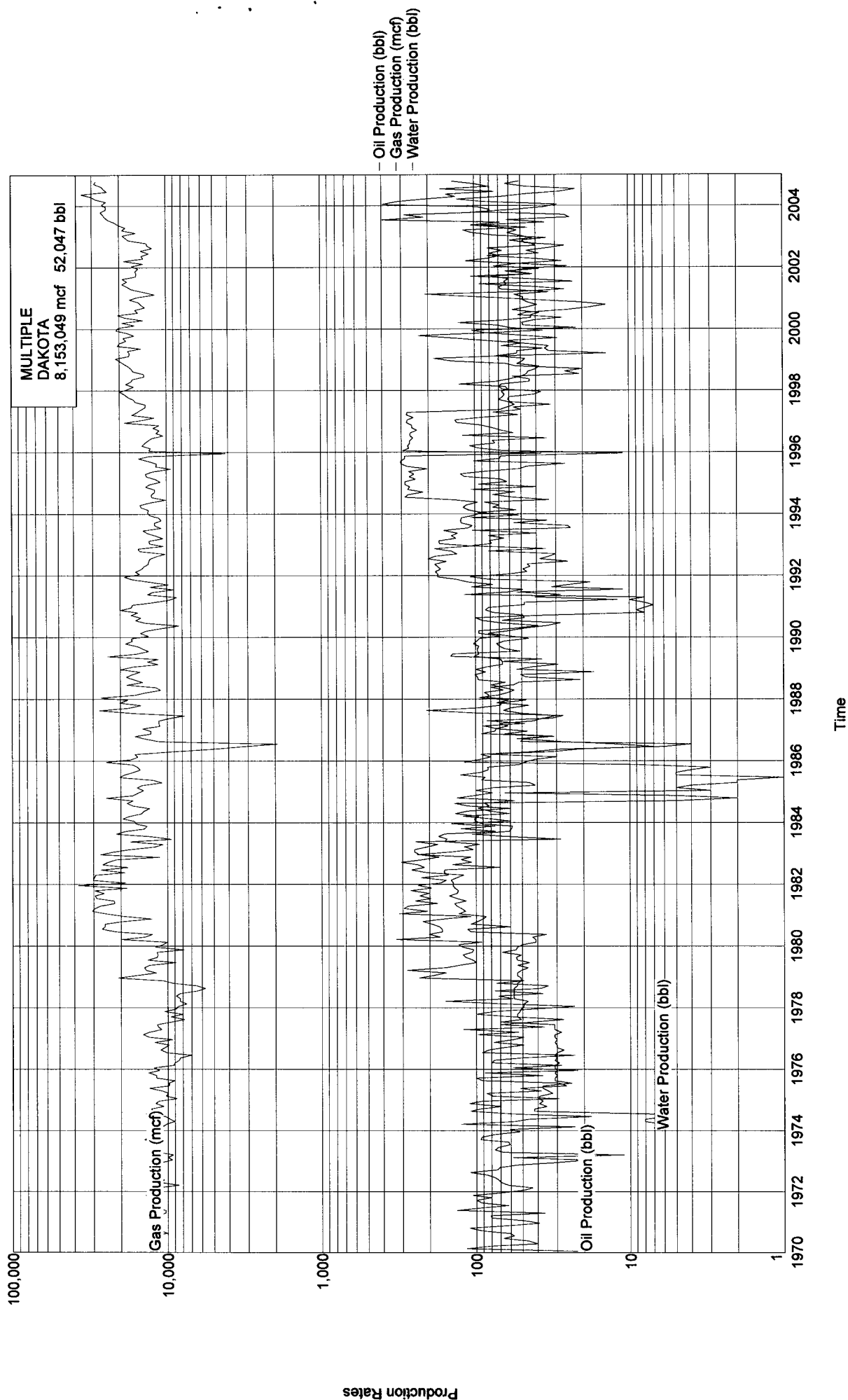
O i l	Zone	Average BOPD	Percentage of total flow
	MV	0.1	53%
	DK	0.09	47%
	Total	0.19	100%

Recommended allocation for future downhole commingled production

Zone	Gas	Oil
MV	61%	53%
DK	39%	47%
Total	100%	100%

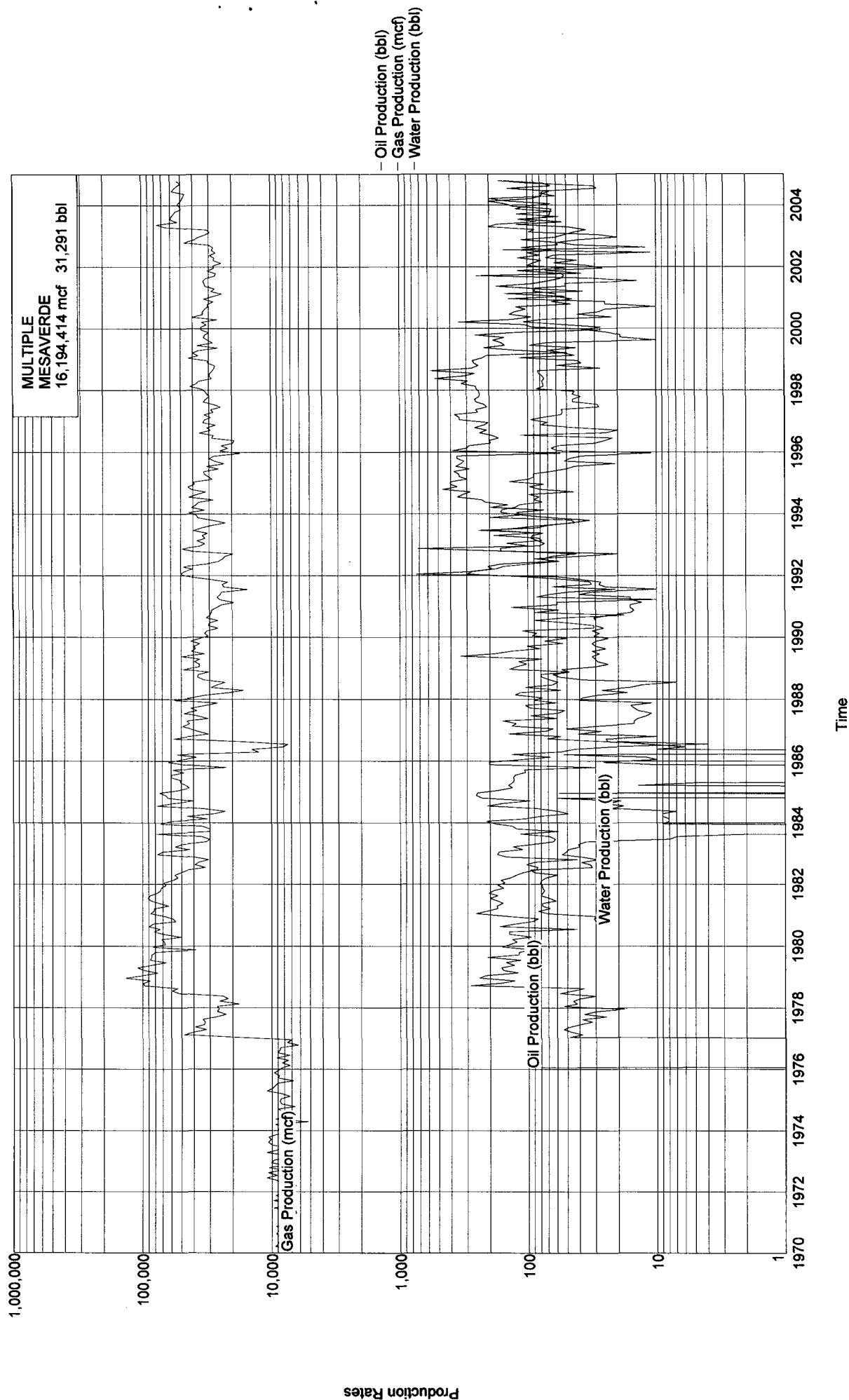
Lease Name: MULTIPLE
County, State: SAN JUAN, NM
Operator: MULTIPLE
Field: BASIN
Reservoir: DAKOTA
Location:

MULTIPLE DAKOTA



Lease Name: MULTIPLE
County, State: SAN JUAN, NM
Operator: MULTIPLE
Field: BLANCO
Reservoir: MESAVERDE
Location:

MULTIPLE MESAVERDE



Freeman #1C
Section 11, T31N – R13W
San Juan County, New Mexico

Data from surrounding 8 – Sections, active Dakota and Mesa Verde Wells

Dakota Wells

22 active Dakota wells

Gas Production

Well average monthly rate = 27000 mcf

Monthly rater per well = $27000/22 = 1227$ mcf

Daily rate per well = $1227/30.4 = 40.4$ mcf/d

Oil Production

Well average monthly rate = 60 bopm

Monthly rater per well = $60/22 = 2.7$ bopm

Daily rate per well = $2.7/30.4 = 0.09$ bopd

Mesa Verde Wells

26 active Mesa Vede wells

Gas Production

Well average monthly rate = 50000 mcf

Monthly rater per well = $50000/26 = 1923$ mcf

Daily rate per well = $1923/30.4 = 63.3$ mcf/d

Oil Production

Well average monthly rate = 80 bopm

Monthly rater per well = $80/26 = 3.1$ bopm

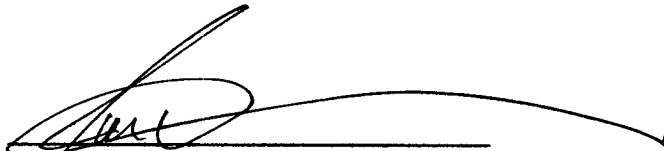
Daily rate per well = $3.1/30.4 = 0.10$ bopd

Statement of Notification

Freeman #1C
Section 11, T31N – R13W
San Juan County, New Mexico

No notification is required for this well.

The interested parties in the Basin Dakota and Blanco Mesa Verde are identical.



Joe Mazotti
Agent for Patina San Juan, Inc.

Statement of Commingling

Freeman #1C
Section 11, T31N – R13W
San Juan County, New Mexico

The commingling of the Basin Dakota and Blanco Mesa Verde pools in this wellbore will not reduce the value of the remaining production. Commingling these pools should increase the value of the remaining reserves due to using the remaining reservoir energy in both zones to produce the well.

Commingling operations conducted on other similar wells have resulted in increased production rates and greater reserve than producing the zones separately.