Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

5. Lease Serial No.
SF079007-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

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

8. Well Name and No.
TAFOYA ~~FEDERAL~~ #1R

2. Name of Operator
PATINA SAN JUAN, INC.

9. API Well No.
30-045-32337

3a. Address
5802 US HIGHWAY 64 FARMINGTON, NM 87402

3b. Phone No. *(include area code)*
505-632-8056

10. Field and Pool, or Exploratory Area
BASIN DK/BLANCO MV

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
1750' FSL, 2190' FWL
K Sec 35 - T32N - R 13W

11. County or Parish, State
SAN JUAN COUNTY, NEW MEXICO

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☑ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☑ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

PATINA SAN JUAN PROPOSES TO MAKE CHANGES TO THE DRILLING PLAN AS FOLLOWS:

WELL COMPLETION ONLY IN THE BLANCO MESA VERDE FORMATION.

CHANGE OF CASING REQUIREMENTS PER ATTACHED DRILLING PLAN.

RECEIVED
2005 APR 4 PM 3 27
070 FARMINGTON NM

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*

Title **REGULATORY/ENGINEERING TECH**

Signature

Date **04/04/2005**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **/s/ Adrienne Brumley**

Title

Date **4/5/05**

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

NMOCD

Tafoya Federal #1R
General Drilling Plan
Patina San Juan, Inc.
San Juan County, New Mexico

1. LOCATION:

NWNW 1750' FSL, 2190' FWL
Section 35, T32N, R13W
San Juan County, New Mexico

Field: Blanco MV
Surface: Federal
Minerals: SF 079007-A

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

Surface formation – Nacimiento

Formation	*Estimated Formation Top (Ft)*
Fruitland	1512
Pictured Cliffs	2196
Lewis	2449
Cliff House**	3720
Menefee	4030
Point Lookout***	4581
TD	4950

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.

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	300
Production	7.875	4.5	0	4950

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:
170 sx of Type B cement with 3% $CaCl_2$, plus ¼#/sx celloflakes. 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 ft^3/sack

Volume basis:	40' of 9-5/8" shoe joint	17 cu ft
	300' of 12-1/4" x 9-5/8" annulus	94 cu ft
	100% excess (annulus)	94 cu ft
	Total	205 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 ft^3/sack

Tail: 190 sx of Type III cement w/additives
Slurry weight: 13.0 ppg
Slurry yield: 2.00 ft^3/sack

Note:
1. Design top of stage one cement is ±3000'

2nd Stage: (Stage tool at ±3000'):
Lead: 270 sx of Type III w/additives
Slurry weight: 11.5 ppg
Slurry yield: 2.96 ft^3/sack

Tail: 185 sx of Type III w/additives
Slurry weight: 12.0 ppg
Slurry yield: 2.55 ft^3/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
	4650' of 4.5" x 7-7/8" annulus	1060 cu ft
	300' of 4.5" x 9 5/8" annulus	97 cu ft
	80% excess (annulus)	926 cu ft
	Total	2087 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.

7. ABNORMAL PRESSURE AND TEMPERATURE:

H_2S	None
Coal	Fruitland
Minerals	None
Water	None
Static BHT	140° F
Lost Circulation	Possible
Hole Deviation	None
Abnormal Pressures	None
Unusual Drilling Problems	None

8. ANTICIPATED STARTING DATE: April 2005

Anticipated duration: 12 days