

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

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| WELL API NO. 30-039-27783 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. Jicarilla Apache Contract #101 |
| 7. Lease Name or Unit Agreement Name JICARILLA C |
| 8. Well Number #1C |
| 9. OGRID Number 173252 |
| 10. Pool name or Wildcat BASIN DK/BLANCO MV |

| | |
|---|--|
| SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK OR TO DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM 6-101) FOR SUCH PROPOSALS.) | |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other | |
| 2. Name of Operator PATINA SAN JUAN, INC. | |
| 3. Address of Operator 5802 US HIGHWAY 64, FARMINGTON, NM 87401 | |
| 4. Well Location Unit Letter G : 2380 feet from the NORTH line and 2070 feet from the EAST line Section 11 Township 26N Range 4W NMPM RIO ARRIBA County | |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 7110'GR | |
| Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/> | |
| Pit type <u>reserve</u> Depth to Groundwater <u>>100'</u> Distance from nearest fresh water well <u>>1000'</u> Distance from nearest surface water <u>>1000'</u> | |
| Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume <u> </u> bbls; Construction Material <u>reinforced polyethylene plastic</u> | |

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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: **Down-Hole Commingle Mesa Verde/Basin Dakota** ☒

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 requests approval to down-hole commingle production from this well. Patina will down-hole commingle the Blanco Mesa Verde (72319) and the Basin Dakota (72319) pools in this wellbore. These are pre-approved pools as per NMOCD order #11563. The commingling work will be done immediately upon NMOCD approval during the completion procedure.

Attached are the following documents:

1. Proposed allocation method with supporting data
2. Statement of commingling showing no reduction of value of remaining production
3. Statement attesting that notice was sent to all interest owners
4. Statement attesting that a copy of this form was sent to the BLM

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/Engineering Technician DATE 07/12/2005

Type or print name
For State Use Only

E-mail address:

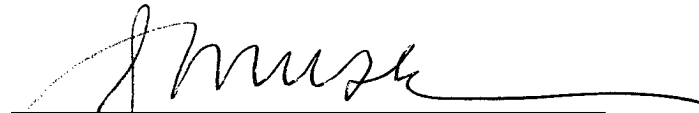
Telephone No.

APPROVED BY: *[Signature]* TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 63 DATE JUL 26 2005
Conditions of Approval (if any):

Statement of Notification

Jicarilla C#1C
UL "G" Sec 11, T26N – R4W
Rio Arriba County, New Mexico

The interested parties in the Basin Dakota and Blanco Mesa Verde pools affected by this commingle have been sent a copy of this application via certified mail, return receipt requested.



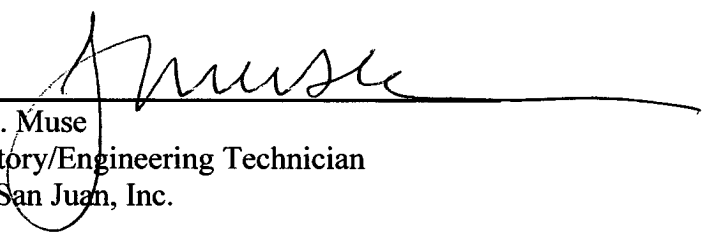
Jean M. Muse
Regulatory/Engineering Technician
Patina San Juan, Inc.

Statement of Commingling

Jicarilla C#1C
UL "G" Sec 11, T26N – R4W
Rio Arriba 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 wells.

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



Jean M. Muse
Regulatory/Engineering Technician
Patina San Juan, Inc.

Recommended Allocation for Commingle

Well: Jicarilla C #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 | 65 | 50% |
| | DK | 66 | 50% |
| | Total | 131 | 100% |

| O i l | Zone | Average BOPD | Percentage of total flow |
|----------------------|-------------|-------------------------|-------------------------------------|
| | MV | 0.22 | 30% |
| | DK | 0.52 | 70% |
| | Total | 0.74 | 100% |

Recommended allocation for future downhole commingled production

| Zone | Gas | Oil |
|-------------|------------|------------|
| MV | 50% | 30% |
| DK | 50% | 70% |
| Total | 100% | 100% |