

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT I
P.O. Drawer DD, Artesia, NM 88210

DISTRICT I
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, New Mexico 87505

WELL API NO.

30-045-32765

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Tecumseh

8. Well No.

#1E

9. Pool name or Wildcat

Blanco Mesa Verde / Basin Dakota

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

GAS

WELL ☐

WELL ☒

OTHER

2. Name of Operator

San Juan Resources of Colorado

3. Address of Operator

c/o Walsh Engineering, 7415 East Main Street, Farmington, NM 87402

4. Well Location

Unit Letter L : 1470 Feet From The South Line and 1095 Feet From The West Line

Section 18 Township 30N Range 11W NMPM County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

5538' GR

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

11. NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

OTHER: Downhole Commingle ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

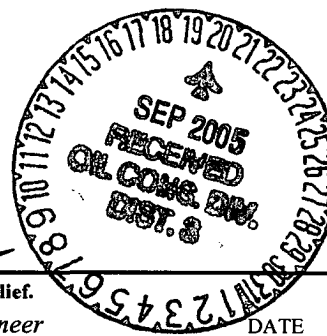
COMMENCE DRILLING OPNS. ☐ PLUG & ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work).
SEE RULE 1103.

San Juan Resources of Colorado request permission to downhole commingle the oil and gas production from the Blanco Mesa Verde pool and the Dasin Dakota pool in this well. Pertinent data and the proposed allocation formula is attached.



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

SIGNATURE

Paul C. Thompson

TITLE Agent/Engineer

DATE 09/14/05

TYPE OR PRINT NAME

Paul C. Thompson

TELEPHONE NO. (505) 327-4892

(This space for State Use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY.

DEPUTY OIL & GAS INSPECTOR, DIST. 8

TITLE

DATE

SEP 20 2005

Allocation Formula

Tecumseh #1E
San Juan Resources of Colorado

San Juan Resources of Colorado drilled and completed the Tecumseh #1E well in the **Blanco Mesa Verde (72319)** pool and the **Basin Dakota (71599)** pool in May of 2005. This well is a continuation of the Dakota and Mesa Verde development in the area. These two pools are pre-approved for downhole commingling as described in 19.15.15.303 NMAC Subsection C, paragraph 5.

The Mesa Verde was perforated from 4203 to 4284', and the Dakota was perforated from 6388' to 6509'.

Since this is a new well without any production history, San Juan Resources of Colorado proposes to allocate the production between the two zones in the Tecumseh #1E based on the actual performance of the off-set wells in the area. Please refer to Exhibit A for a listing of these off-setting wells. Based on the data in Exhibit A, **42.2% of the gas and 22.6% of the oil will be allocated to the Mesa Verde pool and 57.8% of the gas and 77.4% of the oil will be allocated to the Dakota pool.**

San Juan Resources of Colorado believes that downhole commingling in the Tecumseh #1E will not reduce the value of the total remaining production. Ownership interests in the two pools to be commingled in this well are common.

EXHIBIT A

San Juan Resources of Colo, Inc.										
Mesa Verde and Dakota Formation Wells, Surrounding Tecumseh #1E,										
Cumulative Production by Well and Formation										
TWN	RGE	SEC	UL	Operator	WELL NAME	Well #	FORM	CUM Gas	CUM Oil	Status
30N	11W	7	G	CONOCOPHILLIPS	RUBY JONES	1	DK	356715	3943	F
30N	11W	7	M	CONOCOPHILLIPS	NELL HALL	1	DK	3001674	16968	F
30N	11W	8	N	BURLINGTON RES O&G CO	GLEN SWIRE	1	DK	1131092	6989	F
30N	11W	8	P	ROBERT BAYLESS	HELEN HARTMAN	1	DK	782452	12047	F
30N	12W	12	F	FOUR STAR OIL & GAS	BARTON LM	1	DK	448741	8005	F
30N	12W	12	J	XTO ENERGY INC	KATE STANDAGE	1	DK	1230413	5948	F
30N	12W	13	B	DUGAN PRODUCTION CORP	M L WRIGHT	1	DK	606347	11125	F
30N	12W	13	C	BP AMERICA PRODUCTION	LILLYWHITE GAS COM	1	DK	136493	1728	PA '72
30N	12W	13	N	MANANA GAS INC	ANNIE B	1	DK	328700	1403	F
30N	11W	17	A	BURLINGTON RES O&G CO	TAYLOR COM	2A	DK	804571	11625	F
30N	11W	17	F	BURLINGTON RES O&G CO	MONTGOMERY	2E	DK	439705	4618	F
30N	11W	17	M	RODDY PRODUCTION CO INC	RAYMOND SIMMONS	1	DK	361873	17120	F
30N	11W	17	P	RODDY PRODUCTION CO	RAYMOND SIMMONS	2	DK	197536	1914	F
30N	11W	18	A	BURLINGTON RES O&G CO	JAMES SCOTT	1	DK	707431	5446	SI (LP 3-90)
30N	11W	18	J	SAN JUAN RES OF COL INC	TECUMSEH	1	DK	95045	1807	F
30N	11W	18	K	SOUTHWEST PRODUCTION CO	FANNIE WARD	1	DK	311065	6487	SI (LP 2-72)
30N	11W	19	I	SAN JUAN RES OF COL INC	KAEMPF	1E	DK	74708	3946	F
30N	11W	19	N	SAN JUAN RES OF COL INC	KAEMPF	1	DK	845051	9988	F
30N	11W	20	P	CONOCOPHILLIPS	MARX FEDERAL	1	DK	812116	11304	F
30N	12W	24	K	BURLINGTON RES O&G CO	JOSE JAQUEZ	1	DK	219979	18735	LP 7/98
					TOTAL DK			12,891,707	161,146	
					AVERAGE DK			644,585	8,057	
30N	11W	7	E	XTO ENERGY INC	FEE	7A	MV	494917	4465	F
30N	11W	7	H	XTO ENERGY INC	FEE	7	MV	1632515	6231	F
30N	11W	8	C	XTO ENERGY INC	FEE	8A	MV	826942	2886	F
30N	11W	8	H	XTO ENERGY INC	FEE	8	MV	1089129	4417	F
30N	11W	8	M	XTO ENERGY INC	AZTEC	8	MV	672310	2285	F
30N	11W	8	P	ROBERT BAYLESS	HELEN HARTMAN	1	MV	541643	1616	F
30N	12W	12	A	ENERGEN RESOURCES	FEE	12A	MV	230794	1677	LP 8/99
30N	12W	12	B	XTO ENERGY INC	FEE	12B	MV	58559	236	F
30N	12W	12	D	FOUR STAR OIL & GAS	BARTON LM	1B	MV	157478	789	F
30N	12W	12	F	FOUR STAR OIL & GAS	BARTON LM	1	MV	1437766	9409	F
30N	12W	12	I	XTO ENERGY INC	FEE	12	MV	532676	3990	F
30N	12W	12	J	XTO ENERGY INC	FEE	12C	MV	63003	207	F
30N	12W	12	N	FOUR STAR OIL & GAS	BARTON LM	1C	MV	56964	668	F
30N	11W	17	A	BURLINGTON RES O&G CO	TAYLOR COM	2A	MV	387390	2858	F
30N	11W	17	F	BURLINGTON RES O&G CO	MONTGOMERY	2E	MV	206598	1367	F
30N	11W	17	M	RODDY PRODUCTION CO INC	RAYMOND SIMMONS	3	MV	214191	1474	F
30N	11W	17	P	BURLINGTON RES O&G CO	TAYLOR COM	2	MV	955567	3894	F
30N	11W	18	A	BURLINGTON RES O&G CO	JAMES SCOTT	1	MV	190682	724	F
30N	11W	18	J	SAN JUAN RES OF COL INC	TECUMSEH	1	MV	65180	538	F
30N	11W	20	B	BURLINGTON RES O&G CO	CARLE	2	MV	347205	1696	F
30N	11W	20	C	BURLINGTON RES O&G CO	CARLE	1	MV	410988	2759	F
30N	11W	20	E	BURLINGTON RES O&G CO	CARLE	1B	MV	28158	230	F
30N	11W	20	H	BURLINGTON RES O&G CO	CARLE	2B	MV	237602	808	F
30N	11W	20	I	BURLINGTON RES O&G CO	MORRIS COM	101	MV	445680	1266	F
					TOTAL MV			11,283,937	56,490	
					AVERAGE MV			470,164	2,354	
					AVG DK PLUS AVG. MV			1,114,749	10,411	
					% DAKOTA			57.8	77.4	
					% MESA VERDE			42.2	22.6	