

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

10-15-06 Form C-103
May 27, 2004

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

WELL API NO. 30-039-29567
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name CHAMPLIN
8. Well Number #5B
9. OGRID Number 17352
10. Pool name or Wildcat BASIN DK/BLANCO MV
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 7275'GR
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>
Pit type <input checked="" type="checkbox"/> reserve 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 reinforced polyethylene plastic

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 US HIGHWAY 64, FARMINGTON, NM 87401

4. Well Location
Unit Letter **E** **2090** feet from the **NORTH** line and **720** feet from the **WEST** line
Section **25** Township **27N** Range **4W** **NMPM** **RIO ARRIBA County**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
7275'GR

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type ☒ reserve 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 **reinforced polyethylene plastic**

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

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	P AND A <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
MULTIPLE COMPL <input type="checkbox"/>	
OTHER: COMMINGLE PRODUCTION <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>

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. proposes the downhole commingle of the Basin Dakota (pool #71599) and Blanco Mesa Verde (pool #72319) in this wellbore. Both of these pools are pre-approved under NMOCD Order #11563. This well will be completed and commingled upon approval from the NMOCD in the Summer 2006.

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  TITLE **REGULATORY COMPLIANCE** DATE **05/28/2006**

Type or print name **JEAN M. MUSE** E-mail address: **jmuse@nobleenergyinc.com** Telephone No. **505-632-8056**

For State Use Only

APPROVED BY:  TITLE **DEPUTY OIL & GAS INSPECTOR, DIST. II** DATE **OCT 13 2006**

Conditions of Approval (if any):

B

Patina San Juan, Inc.
5802 US Highway 64
Farmington, NM 87401

Champlin #5B
API 30-039-29567
UL "E" Sec 25, T27N – R4W
Rio Arriba County, New Mexico

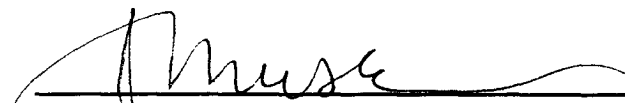
Champlin #5C
API 30-039-29616
UL "M" Sec 25, T27N – R4W
Rio Arriba County, New Mexico

Champlin #7
API 30-039-29568
UL "B" Sec 25, T27N – R4W
Rio Arriba County, New Mexico

Re: Application to Down-Hole Commingle

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 Compliance
Patina San Juan, Inc.

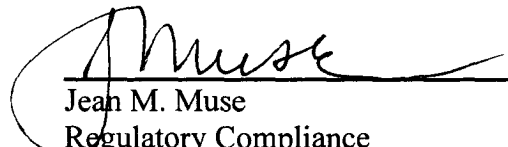
Statement of Notification

Champlin #5B
API 30-039-29567
UL "E" Sec 25, T27N – R4W
Rio Arriba County, New Mexico

Champlin #5C
API 30-039-29616
UL "M" Sec 25, T27N – R4W
Rio Arriba County, New Mexico

Champlin #7
API 30-039-29568
UL "B" Sec 25, T27N – R4W
Rio Arriba County, New Mexico

No notification is required for these wells; the interested parties in the Blanco Mesa Verde and Basin Dakota formations are identical.



Jean M. Muse
Regulatory Compliance
Patina San Juan, Inc.

Recommended Allocation for Commingle

Well: Champlin #5B

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

G a s	Zone	Average MCFD	Percentage of total flow
	MV	79	68%
	DK	38	32%
	Total	117	100%

O i l	Zone	Average BOPD	Percentage of total flow
	MV	0.21	30%
	DK	0.5	70%
	Total	0.71	100%

Recommended allocation for future downhole commingled production

Zone	Gas	Oil
MV	68%	30%
DK	32%	70%
Total	100%	100%