

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

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

WELL API NO. 30-045-34514	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
6. State Oil & Gas Lease No. 35732	
7. Lease Name or Unit Agreement Name Memgem Walters 34	
8. Well Number	1A
9. OGRID Number	20208
10. Pool name or Wildcat Blanco Mesa Verde/Basin Dakota	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5813' GR	

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
San Juan Resources, Inc

3. Address of Operator
1400 Blake #7K, Denver, CO 80202

4. Well Location
Unit Letter J : 1575 feet from the South line and 2520 feet from the East line
Section 34 Township 32N Range 13W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5813' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 ☐

OTHER: Downhole Commingle ☒

SUBSEQUENT REPORT OF:

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

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.

San Juan Resources, Inc requests approval to downhole commingle the production from the Basin Dakota (71599) and the Blanco Mesa Verde (72319) formations. These two pools were pre-approved for downhole commingling in order R-11363. The Dakota was perforated from 6700' to 6822' and the Mesa Verde was perforated from 4487' to 4751' KB. Based on the attached cumulative production from the two pools in the nine adjacent sections, San Juan Resources proposes to allocate 21.8% of the gas and 44.6% of the oil to the Dakota formation and 78.2% of the gas and 55.4% of the oil to the Mesa Verde formation. San Juan Resources, Inc believes that the downhole commingling will not reduce the value of the total remaining reserves. The ownership in both formations is common in this well and the downhole commingling has been approved by all of the revenue interest owners of the well. This is the same allocation that was proposed for the Memgem Walters 34-1.

RCVD APR 29 '08
OIL CONS. DIV.
DIST. 3

PHC 2074 AZ

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 NMOC guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Dean C. Collins TITLE Agent DATE Apr. 28, 2008

Type or print name Dean C. Collins

E-mail address: collinsd@zianet.com

Telephone No. (505) 320-6425

For State Use Only

APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE APR 30 2008

Conditions of Approval (if any):