

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, Mineral and Natural Resources

Form C-103
Revised June 10, 2003

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

WELL API NO. <u>30-039-27315</u>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. Indian/Federal Jicarilla Contract #101
7. Lease Name or Unit Agreement Name Jicarilla C
8. Well Number # 1B
9. OGRID Number <u>72319-171599-173252</u>
10. Pool name or Wildcat Basin Dakota / Blanco Mesaverde

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-103) 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 1625 Broadway, Suite 2000, Denver, CO 80202	
4. Well Location Unit Letter <u>I</u> : <u>2170</u> feet from the <u>South</u> line and <u>1120</u> feet from the <u>East</u> line Section <u>11</u> Township <u>26 North</u> Range <u>4 West</u> NMPM County <u>Rio Arriba</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>6884' GR</u>	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: Down-hole Commingle; pre-approved pools <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input 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. request approval to down-hole commingle the subject well. Patina plans to down-hole commingle the Basin Dakota (71599) and the Blanco Mesaverde (72319) pools in this wellbore. These are pre-approved pools per NMOCD Order #11563. These zones have been segregated since completion. Work will begin soon after approval.

See Attached Exhibits:

Wellbore Diagram, Allocation Method with supporting data, Statement of Commingle, interest owner notification, form C-102 and Topo Map.

A copy of this application has been sent to the BLM.

Please contact Bob Ovitz at 303.389.3600 with any questions.

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

SIGNATURE Robert W. Ovitz TITLE Operations Manager DATE 1/27/04

Type or print name Robert W. Ovitz E-mail address: bovitz@patinaoil.com Telephone No. 303.389.3600

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE FEB - 2 2004

Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED

OMB No. 1004-0135

Expires: November 30, 2000

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

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Patina San Juan, Inc.

3a. Address

3b. Phone No. (include area code)

1625 Broadway, Suite 2000, Denver, CO 80202

303.389.3600

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2170' FSL, 1120' FEL NESE, Sec. 26, T26N - R4W

5. Lease Serial No.
Jicarilla Contract #101

6. If Indian, Allottee, or Tribe Name
Jicarilla

7. If Unit or CA. Agreement Designation

n/a

8. Well Name and No.

Jicarilla C #1B

9. API Well No.

10. Field and Pool, or Exploratory Area

Basin Dakota/Blanco Mesaverde

11. County or Parish, State

Rio Arriba County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Application</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and abandon	<input type="checkbox"/> Temporarily Abandon	<u>to Commingle</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug back	<input type="checkbox"/> 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 recompleat horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will performed or provide the Bond No. on file with the 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 recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.)

Patina San Juan, Inc. request approval to down-hole commingle the subject well. Patina plans to down-hole commingle the Basin Dakota (71599) and the Blanco Mesaverde (72319) pools in this wellbore. These are pre-approved pools per NMOCD Order #11563. These zones have been segregated since completion. Work will begin soon after approval.

See Attached Exhibits:

Wellbore Diagram, Allocation Method with supporting data, Statement of Commingle, interest owner notification, form C-102 and Topo Map.

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Robert W. Oritz

Signature

Title

Operations Manager

Date

1/27/04

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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 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 reverse)

Recommended Allocation for Commingles

Well: Jicarilla C #1B

30-day average production based on December, 2003 production
(see attached decline curves)

G a s	Zone	Average MCFD	Percentage of total flow
	MV	141	49%
	DK	144	51%
	Total	285	100%

O i l	Zone	Average BOPD	Percentage of total flow
	MV	0	0%
	DK	1.62	100%
	Total	1.62	100%

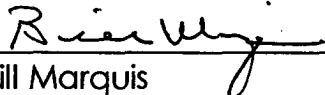
Recommended allocation for future downhole commingled production

Zone	Gas	Oil
MV	49%	0%
DK	51%	100%
Total	100%	100%

Statement of Notification

No notification is required for this well (Jicarilla C #1B); the interested parties in these two pools are identical.

A copy of this application has been forward to the Bureau of Land Management.


Bill Marquis
Sr. Landman


Robert W. Ovitz
Operations Manager

Statement of Commingling

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 well.

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