

Submit 1 Copy 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  
October 13, 2009

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 39-045-34515
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator San Juan Resources, Inc		6. State Oil & Gas Lease No.
3. Address of Operator 1499 Blake Street, Denver, CO 80202		7. Lease Name or Unit Agreement Name Lee
4. Well Location Unit Letter <u>A</u> : <u>820</u> feet from the <u>North</u> line and <u>915'</u> feet from the <u>East</u> line Section <u>30</u> Township <u>30N</u> Range <u>11W</u> NMMP County <u>San Juan</u>		8. Well Number 1F
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5689		9. OGRID Number 20208
		10. Pool name or Wildcat Blanco MV/Basin Dakota

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 ☐  
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER: Intermediate & production casing ☒

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

San Juan Resources, Inc has drilled and cemented the intermediate and production casing on the subject well as per the attached.

RCVD JUL 14 '10

OIL CONS. DIV.

DIST. 3

REPORT TOP OF CEMENT AND PRESSURE TEST FOR 4 1/2" CSG NEXT SUNDRY

Spud Date:

Rig Release Date:

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

SIGNATURE Dean C. Collins TITLE Agent DATE 7/14/2010

Type or print name Dean C. Collins E-mail address: collinsd@zianet.com PHONE: 505-325-3514

For State Use Only

Deputy Oil & Gas Inspector,  
District #3

APPROVED BY: John G. Boz TITLE Deputy Oil & Gas Inspector, District #3 DATE JUL 19 2010

Conditions of Approval (if any): REVIEW NMAC RULE 19.15.16.10 - ALL CASING PRESSURE TESTS SHOULD BE CONDUCTED FOR 30 MIN. - PT FOR 9 5/8" CSG WAS CONDUCTED FOR 10 MIN.

**LEE 1F**  
**API No: 30-045-34515**

7/14/2010

7/3/2010 MIRU AWS RIG 545.

7/4/2010 NU BOPE. MIRU TESTER UNIT. PT 4-1/2" PIPE /BLIND RAMS/CHOKE MANIFOLD (OUTSIDE AND INSIDE VALVES) /4-1/2" TIW VALVE T/ 250 PSIG-5MIN AND 2250 PSIG -30MINUTES (TEST OK). DRILLED 12-1/4" RATHOLE AND MOUSE HOLE. PT 9-5/8" CASING T/ 700 PSIG-10 MIN (OK). TALLY & TIH W/ 8-3/4" FX65M PDC BIT W/ HUNTING MUD MOTOR W/ 1/2 DEGREE TELEDRIFT SUB, W/6-1/2" DC'S & TAG TOP OF CEMENT @ 290'. DRLG CEMENT,FLOAT, CEMENT & SHOE @ 337'KB. DRILL OPEN HOLE T/ 345'KB. DRLG 8-3/4" HOLE F/346 TO 625'KB.

7/5/2010 DRLG 8-3/4" HOLE F/625 TO 2759'KB.

7/6/2010 DRLG 8-3/4" HOLE F/2759 TO 2813'KB. SURVEY @2813' SHOWED DEVIATION CHANGE TO 3 DEGREES IN 500' WITHOUT ANY DRILLING PARAMETER CHANGES.. BACK-OFF WEIGHT F/12 TO 7K AND INCREASE ROTARY SPEED. DRLG 8-3/4" HOLE F/2813 TO 3024'KB. SURVEY @ 3024'KB-3 DEGREES. BACK OFF WEIGHT TO 5-6K. DRLG 8-3/4" HOLE F/3024 TO 3273'KB. SURVEY @ 3273'KB 4 DEGREES. CIRCULATE HOLE AND TOO H W/ PDC/MUD MOTOR ASSEMBLY. MU 8-3/4" TRICONE RR BIT S82F. REPLACE TELEDRIFT TOOL W/ READINGS F/1-T/7 DEGREES. TIH W/ DRILLING ASSEMBLY & TAKE SPOT CHECK SURVEY @ 1508'KB @ 2 DEGREE.. WASH AND REAM TO 2000'.

7/7/2010 WASH AND REAM TO 2000-T/2111'. CIRCULATE AND CONDITION MUD. WASH AND REAM TO 2500' SURVEY @ 2446'-TOTCO 3-1/2 DEGREES. DRLG 8-3/4" HOLE F/3382 TO 3391'KB. SURVEY @3351' -3 DEGREES. DRLG 8-3/4" HOLE F/3391 TO 3610'KB. SURVEY @ 3550'KB-3-1/4 DEGREES . DRLG 8-3/4" HOLE F/3610 TO 3624'.

7/8/2010 NOTIFY STEVE HAYDEN NMOC OF PENDING 7" INTERMEDIATE CASING/CMT JOB 7-7-2010 7PM. DRLG 8-3/4" HOLE F/3624 TO 3931' INTERMEDIATE TD. CIRCULATE AND CONDITION HOLE W/ 62 VIS AND 8 WL. SHORT TRIP F 3931 TO 1980'KB. TIH AND TAG SPOTS @ 3500' AND 3700'KB. HAD TO ROTATE AND CIRCULATE THRU BRIDGES @3500' & 3700'KB. RUN SLICKLINE SURVEY @ 3931' -2-1/2 DEGREES. SHORT TRIP TO 3500' AND BACK DOWN T/ 3931 - "NO DRAG". TOO H AND LAYDOWN DP. BREAK KELLY. LAYDOWN 6-1/2" DC'S.

7/9/2010 NOTIFY NMOC OF PENDING BOP TEST FOR 7-9-2010 @ 8PM; 7-8-2010 VIA VOICE MAIL FOR STEVE HAYDEN. LAYDOWN 6-1/2" DC'S; TDS,BIT SUB, 8-3/4" S82F BIT-CHANGE OUT 4-1/2" T/ 7" PIPE RAMS. RU TO RUN CASING. MU 7"FLOAT SHOE W/ 1- JOINT 7" CASING (40.21') W/ ORFICE INSERT FILL AND RUN 98 JTS 7" 23# J-55 LT&C (3930.57') CASING T/ 3928'KB NO BRIDGES. CIRCULATE HOLE AND RECIPROCATATE CASING WHILE RIGGING UP HOWCO CEMENTERS. PT LINES TO 4000 PSIG (OK). PUMP 20 BBLS FRESH WATER AHEAD FOLLOWED BY 10 BBLS GEL WATER W/ 10 BBLS GREEN DYE WATER. MIX & PUMP 450 SXS HALLIBURTON LIGHT 65/35 POZ CONTAINING 6% GEL, 5# GILSONITE /SX AND 1/8#/SX POLYFLAKE LEAD (YIELD OF 1.82 FT3/SX (TOTAL 819 FT3) MIXED AT 12.5 PPG) AND 150 SXS TAIL CONTAINING 5# /SX GILSONITE AND 1/4 #/SX SUPERFLAKE (YIELD OF 1.18 FT3/SX (177 FT3) MIXED AT 15.6 PPG). WASH UP LINES AND DROP TOP WIPER PLUG AND DISPLACE W/ 153 BBLS WATER. RETURNED 60 BBLS OF GOOD LEAD CEMENT TO SURFACE AND FULL RETURNS THROUGHOUT CEMENT JOB. MAX PRESSURE TO 2300 PSIG BUMP PLUG DOWN @ 09:25AM; 7-09-2010. CHECK FLOAT (OK) WASH UP CEMENT LINES AND RIG DOWN CEMENTERS ND BOPE SET 7" CASING HANGER W/ 72K WOS. CUT-OFF CASING AND NU 11" 3M CASING HEAD PT SECONDARY SEAL T/ 800 PSIG (OK) RU BLUE JET AND RUN GSL NEUTRON LOG F/3882 TO 2600'KB. RD LOGGERS. SPOT AND RIG UP AIR EQUIPMENT. SLIP AND TALLY 4-3/4" DC'S AND 3-1/2" DP. RU WELCHECK BOP TESTERS. PT 3-1/2"PIPE RAMS / TIW VALVE / 7" CASING / CHOKE MANIFOLD TO 250 PSIG-5MIN & 2000 PSIG-30MIN (OK). CHANGE OUT KELLY'S. PT AIR LINES T/ 1500 PSIG (OK). SURFACE TEST AIR HAMMER. TIH W/ HAMMER AND 4-3/4" DC'S .

7/10/2010 STAGE IN W/ HAMMER AND 4-3/4" DC'S w/ 3-1/2"DP AND UNLOAD WELLBORE W/ AIR @ 1011', 2262', 3349', AND 3382'KB. BREAK CIRCULATION W/ AIR MIST & DRILLOUT FLOAT COLLAR @ 3887'KB / CEMENT/ 7" FLOAT SHOE @ 3928'KB. DRILL DOWN T/ 3990'KB. DRY UP WELLBORE. DRILLING 6-1/4" HOLE F/3990 TO 4882'KB.

7/11/2010 NOTIFY STEVE HAYDEN W. NMOC AT 8PM 7-10-2010 OF PENDING CEMENT LONG STRING. DRILLING 6-1/4" HOLE F/4882 TO 6615'KB/ TD @15:30; 7-10-2010. EMPLOY WEATHERFORD N2 MEMBRANE UNIT @ 5500' (TOP OF GALLUP DROPPING THE OXYGEN CONTENT DOWN ~6%. CIRCULATE ON BOTTOM FOR 45 MINUTES. LD 3-1/2" DP AND BREAK KELLY. LD 4-3/4" DC'S. RU TO RUN 4-1/2" CASING-. CHANGE OUT 3-1/2" X 4-1/2" PIPE RAMS.

7/12/2010 NOTIFY STEVE HAYDEN W. NMOC AT 8PM 7-10-2010 OF PENDING CEMENT LONGSTRING. MU 4-1/2" FLOAT SHOE STACKED W/ 4-1/2" FLOAT COLLAR AND RIH W/ 43 JTS 4-1/2" N-80 11.6# LT&C CASING (1646') AND 118 JTS (4966') OF 4-1/2" J-55 11.6# LT&C CASING TO 6613'KB. PU TO 6610'KB. RU HALLIBURTON CEMENTERS. PT LINES TO 4000 PSIG. MIX AND PUMP 10 BBLS 2% KCL PREFLUSH FOLLOWED BY 10 BBLS CHEMICAL WASH AND 10 BBLS FRESH WATER MIX AND PUMP LEAD SLURRY OF 380 SXS (551 FT3) 50/50 POZ CONTAINING 2% GEL, 5#/SX GILSONITE & 1/8#/SX POLYFLAKE (YIELD 1.45 FT3/SX) AT 13 PPG AND TOTAL OF 551 FT3) AND TAIL IN W/ 80 SXS (17 BBLS) OF CLASS G NEAT W/ 5#/SX GILSONITE & 1/8#/SX POLYFLAKE MIXED AT 15.6 PPG, 1.19 FT3/SX YIELD = 95 FT3. DROP TOP WIPER PLUG AND DISPLACE W/ 105 BBLS FRESH WATER TO 6608'KB TO 2300 PSIG. CHECK FOR FLOAT AND HELD (OK). PLUG DOWN @ 04:55 7-12-2010. GOOD CIRCULATION AND NO NOTICEABLE PRESSURE DIFFERENTIAL INCREASE ABOVE EXPECTED. RD CEMENTERS. ND BOPE AND SET 7" X 4-1/2" SLIPS W/ 80K WOS- CUT-OFF 4-1/2" CASING-RD BLOOE LINE RD RIG AND EQUIPMENT. RELEASE RIG @ 16:00 7-12-2010. DROP FROM REPORT. WAIT ON COMPLETION RIG.