Submit 1 Copy To Appropriate District State of New Mexico Form C-103 Office October 13, 2009 Energy, Minerals and Natural Resources District I WELL API NO. 1625 N. French Dr., Hobbs, NM 88240 District II 30-045-33769 OIL CONSERVATION DIVISION 1301 W. Grand Ave., Artesia, NM 88210 5. Indicate Type of Lease District III 1220 South St. Francis Dr. STATE | FEE 🔯 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 6. State Oil & Gas Lease No. District IV 1220 S. St. Francis Dr., Santa Fe, NM SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name (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 Blancettt Ranch 24 PROPOSALS.) 8. Well Number 1. Type of Well: Oil Well Gas Well Other 2. Name of Operator 9. OGRID Number San Juan Resources, Inc 20208 3. Address of Operator 10. Pool name or Wildcat 1499 Blake Street 10C, Denver, CO 80202 Basin Dakota 4. Well Location Unit Letter 552 feet from the Н 2463 feet from the North line and East line Township 30N Range 12E **NMPM** Section County San Juan 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5641' GR 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: ALTERING CASING □ REMEDIAL WORK PERFORM REMEDIAL WORK PLUG AND ABANDON □ П COMMENCE DRILLING OPNS.□ **TEMPORARILY ABANDON** CHANGE PLANS П P AND A П PULL OR ALTER CASING MULTIPLE COMPL \Box CASING/CEMENT JOB DOWNHOLE COMMINGLE OTHER: Drilling Permit Extension OTHER: Completion 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. See Attached for Details. Non-standard location approved Order R-13053B, C RCVD SEP 15'10 OIL CONS. DIV. DIST. 3 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 Agent DATE 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 TITLE Conditions of Approval (if any

BLANCETT RANCH 24-1 <u>API No: 30-045-33769</u> 9/14/2010

7/9/2010 PT SECONDARY SEAL T/ 1500 PSIG (OK). MIRU AWS COMPLETION RIG #560. NU BOPE-PT CASING/BLIND RAMS PRIOR TO CEMENT BOND LOG T/ 500 PSIG (OK). TIH W/3-7/8" BIT, BIT SUB, W/ 6 X 3-1/8" DC'S W/ X-O SUB (179.02'), TALLY & RABBIT 178 JTS 2-3/8" TBG (5750') T/ 5936'KB. SDON

7/10/2010 TAG UP @ 6519.38'KB. RU POWER SWIVEL & DRILLOUT CEMENT F/ 6519- TOP WIPER RUBBER @ 6631'KB. DRILL UP WIPER RUBBER & FLOAT COLLAR T/ 6632'KB/PBTD. CIRCULATE HOLE CLEAN W/ 2% KCL WATER-RD POWER SWIVEL. TOOH & LAYDOWN 40 JTS-2/3" TBG. SDON

7/12/2010 SICP/SITP-0- PSIG. TOOH & LAYDOWN 2-3/8" TBG & 3-1/8" DC'S W/ BIT SUB & BIT. ND BOPE & NU WELLHEAD. RIG DOWN AND RELEASE RIG @ 11:00: 7-12-2010 7/16/2010 SICP/SITP-~10- PSIG-RU BLUE JET LOGGERS. FLUID LEVEL @ 700'KB-MU SCIENTIFIC GYRO TOOL & RUN INCLINATION SURVEY. RUN 3.75" GAUGE RING T/ 6632'KB-RUN & UNABLE TO SET 10K 4-1/2" CIBP @ 6623'KB. PULLED OUT OF ROPE SOCKET. RD. 7/17/2010 RU BLUE JET LOGGERS. FLUID LEVEL @ 900'KB. GIH W/ GR-GSL(NEUTRON LOG) AND TAG TOP OF SETTING TOOL @ 6616'KB ~33' BELOW CASING COLLAR @ 6583'KB. PULL GSL F/6616'-T/6240' DAKOTA SECTION: F/4760-T/3650' MESAVERDE SECTION. RUN GR-CCL-CBL F/6612'-T/3650'KB; RUN BOND LOG W/O ANY PRESSURE. TOC @ 1850'KB. GOOD 95% BOND THRU DAKOTA SECTION & 80-95% BOND THRU MESA VERDE. RD LOGGERS 7/20/2010 MIRU AWS RIG #560. NU BOPE MU 3.75" OD OVERSHOT LOADED W/ 2" GRAPPLE- TIH W/BUMPER SUB, DAILEY JARS, 4 X 3-1/8" DC'S, W/2-3/8" REG X 2-3/8" EUE X-O SUB (TBHA -135.89'- SPOT TBG TRAILER AND TALLY / RABBIT IN HOLE W/ 2-3/8" EUE 8RD TBG AND TAG TOP OF FISH @ 6616'KB-PULLED ~ 4K OVER AND SETTING TOOL STARTED MOVING. TRIP BACK DOWN AND FELT IT DRAGGING-TOOH W/ & LAYDOWN SETTING TOOL ASSEMBLY. SDON.

7/21/2010 NOTIFY NMOCD KELLY ROBERTS OF PENDING 4-1/2" CASING 24 HR PT @ 10:00; 7-21-2010-. RU BLUE JET & GIH W/ 4-1/2" 10K CIBP & SET @ 6613 KB. TRIP IN & LAYDOWN 3-1/8" DRILL COLLARS ON KC TRANSPORT FLOAT. LOAD & PT CASING W/ RIG PUMP T/ 3000 PSIG -15 min(OK). TRIP IN HOLE W/ 2-3/8" TBG T/ 6610 KB. ROLL HOLE CLEAN W/ 2% KCL WTR. TOOH & LAYDOWN 2-3/8" TBG. RD WORKOVER RIG.

7/22/2010 RIG UP & PERFORM CASING INTEGRITY TEST T/ 4500 PSIG-30MIN (TEST OK). 8/25/2010 RU & PT FRAC VALVE & FLOWBACK LINES T/ 4500 PSIG (OK). MOVE AND FILL 6-FRAC TANKS W/ BJ BIOCIDE/2% KCL FRESH WATER. PRE-JOB SAFETY MEETING. RU BLUE JET WIRELINE & BJ SERVICES-PERFORATE LOWER DAKOTA PERFS: 6558-6563', 6544-6548' & 6517-6521'. TOTAL 16' W/3SPF = 48 (0.45") DIA HOLES 120 DEGREE PHASED UNDER 1300 PSIG(200 PSIG PRESSURE DROP). PT FRAC LINES T/5000 PSIG (OK). EST INJ RATE T/5-22 BPM & BREAKDOWN PERFS @ 3326 PSIG. FRAC LOWER DAKOTA W/ 500 GAL 7-1/2% HCL ACID SPEARHEAD-FOLLOWED BY 25,363 GALS 20# X-LINK GEL W/ 23,029 # 20/40 AZ SAND STAGES 1/2#UP T/ 2-3/4+PPG-STARTED TO SCREENOUT. LOWER DK TREATED TIGHT W/ MAX PRESSURE-4102 PSIG & ATP-3632 PSIG @ 29.6 BPM-SHUT DOWN & OBTAIN 3653 ISIP; 5MIN 3110#,10MIN-2910#, 15MIN-2750 PSIG, 30 MIN-2000 PSIG. RU WIRELINE & GIH & SET 4-1/2" COMPOSITE BP @ 6500'KB. LOAD & PT BP T/4500 PSIG (OK). PERFORATE UPPER DAKOTA & GRANEROS INTERVALS: 6483-6486', 6476-6479', 6468-6471', 6463-6466', 6458-6461', 6431-6433', 6407-6409', 6402-6404' TOTAL 29' @ 3SPF= 87 X (0.45") DIA 120 DEGREE PHASED HOLES W/1200 PSIG (160 PSIG PRESSURE DROP). BREAKDOWN UPPER DK AND GRANEROS PERFS @ 1220 PSIG; FRAC'D W/ 500 GAL 7-1/2% HCL ACID SPEARHEAD FOLLOWED BY 56.116 GALS 20# X-LINK GEL W/ 120,000#'S 20/40 AZ SAND IN STAGES F/1/2 PPG-4PPG-MAX PRESSURE @ 3126 PSIG; ATP @ 2540 PSIG W/ ATR OF 39.2 BPM-SHUT DOWN ISIP-1626 PSIG, 5MIN-1451 PSIG,10MIN-1400 PSIG, AND 15 MIN-1320 PSIG. RD FRAC CREW. RU & FLOWBACK AFTER FRAC 2HR SICP 700 PSIG-FLOWED BACK WELL ON 1/4" CHOKE F/ 650 DOWN T/ 200 PSIG -RECOVERED 160 BBLS BROKEN GEL WATER AND VERY LITTLE FRAC SAND

8/26/2010 FLOWBACK ON 1/4" CHOKE F/ 100 DOWN T/ INTERMINTENT SURGING —RECOVERED 80 BBLS BROKEN GEL WATER AND -0 FRAC SAND — SIW FOR 12 HRS

TOTAL RECOVERED TODAY 80 BBLS W/ 240 BBLS RECOVERED TODATE.

8/27/2010 FLOWBACK ON 1/4" CHOKE F/ 50 DOWN T/ SURGING. RECOVERED 20 BBLS BROKEN GEL WATER AND -0 FRAC SAND. SIW. TOTAL RECOVERED TODAY 20 BBLS W/ 260 BBLS RECOVERED TODATE. ND FRAC VALVE AND FLOWBACK LINES. SET TBG HANGER W/ 2- WAY BPV.

9/2/2010 MIRU AWS COMPLETION RIG # 560; SPOT AUXILARY EQUIPMENT. SICP 900 PSIG. ND MASTER VALVE AND NU BOPE. PT BOP W/2-WAY BPV IN TBG HANGER T/250 PSIG-5MIN & 2500 PSIG -15 MIN (TEST OK). BLEED CASING PRESSURE DOWN F/900 PSIG DOWN T/ SURGING BACK UP T/200 PSIG ON 3/4" VARIABLE CHOKE. RECOVERED 240 BBLS BROKEN GEL WATER AND FRAC SAND. SIW

9/3/2010 SICP 1500 PSIG. BLEED CASING PRESSURE DOWN F/ 1500 PSIG DOWN T/ 50 PSIG ON 1/2" VARIABLE CHOKE. FLOW WELL TO CLEANUP. RELEASE RIG CREW @ 14:00 AND UTILIZE DRYWATCH FLOWBACK CREW TO MONITOR FLOWBACK.

9/4/2010 FCP 50 PSIG ON 1/2" DOWN T/ 20 PSIG ON 3/4" VARIABLE CHOKE. FLOW WELL TO CLEANUP.

9/6/2010 42 HR SICP 1500 PSIG. FLOW WELL ON 1/4" T/3/4" DOWN T/1/2" VARIABLE CHOKE TO CLEANUP. OPEN WELL UP ON 2" TO ALLOW WELL TO BLEED DOWN PRIOR TO COMPLETION CREW ON 9-7-2010.

9/7/2010 OPEN WELL UP ON 2" TO ALLOW WELL TO BLEED DOWN PRIOR TO COMPLETION RIG. KILL WELL W/ 40 BBLS 2% KCL WATER. PULL TBG HGR W/ 2-WAY BPV. MU 3.75" OD PUMP-OFF MILL (1.66') W/ 2-3/8" X 1.78" ID MODEL "F" PROFILE. TALLY & RABBIT IN HOLE W/ 2-3/8" TBG T/ 4500'KB. PT AIR LINES T/ 1500 PSIG AND UNLOAD WELL W/ AIR MIST @ 1200 PSIG. TALLY & RABBIT 2-3/8" TBG IN HOLE T/ 6380'KB. RU POWER SWIVEL & BREAK CIRCULATION W/ AIR MIST-. TIH W/ MILL ASSEMBLY AND TAG TOP OF SAND @ 6486'KB (BOTTOM UPPER DAKOTA PERFORATION). CIRCULATE AND CLEANOUT SAND F/6486-T/6500'KB BRIDGE PLUG W/ AIR MIST. CLEANUP WELLBORE W/ 3-5 BBL 2% KCL WATER SWEEPS. PULL UP T/6100'KB AND SDON.

9/8/2010 SICP -1100 PSIG; BLEED WELL DOWN TO FLOWBACK TANK. TIH F/ 6100'-T/6480'KB-RU POWER SWIVEL & BREAK CIRCULATION W/ AIR MIST. CIRCULATE AND DRILLOUT BRIDGE PLUG @ 6500'KB DOWN T/ 6600'KB W/ AIR MIST. TAG SOLID AT 6600' AND CIRCULATED AT 6600'KB. CLEANUP WELLBORE W/ 3-5 BBL 2% KCL WATER SWEEPS. PULL UP T/6100'KB AND SDON.

9/9/2010 SICP -1200 PSIG; BLEED WELL DOWN TO FLOWBACK TANK. TIH F/ 6100'-T/6600'KB/PBTD (NO FILL). BREAK CIRCULATION W/ AIR MIST RECOVERED BROKEN GEL WATER & -0-SAND. PULL UP T/ 6540'KB. PUMP 5 BBLS WATER AHEAD AND DROP BALL TO SHEAR OFF MILL. UNABLE TO PUMP-OFF MILL T/ 2700 PSIG W/ 2% KCL WATER. RU SLICKLINE AND UNABLE TO KNOCK OFF PUMP OUT MILL. TOOH. MU 2-3/8" EXPENDABLE CHECK, W/ 2-3/8" X 2.24' PUP JOINT, W/ 2-3/8" X 1.78" ID MODEL "F" NIPPLE (TBHA = 4.01') AND TIH AND TAG @ 6600'KB/PBTD (NO FILL). PULL AND LAND 205 JTS 2-3/8" TBG (6534.84') W/ 2-3/8" X 7-1/16" TBG HGR W/ BPV. EOT @ 6551'KB, 1.78" "F" NIPPLE @ 6548'KB. ND BOPE & NU 2-1/16" 5M MASTER VALVE ASSEMBLY W/ SEAL SLEEVE. PUMP-OFF EXPENDABLE CHECK W/ 30 BBLS 2% KCL WATER @ -0- PSIG. RECOVERED 60 BBLS BROKEN GEL WATER. RELEASE RIG @ 19:00; 9-9-2010.

4.7# J-55 TBG