

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT I
P.O. Drawer DD, Artesia, NM 88210

DISTRICT I
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, New Mexico 87505

WELL API NO.

30-045-21258

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Lee

8. Well No.

#1

9. Pool name or Wildcat

Blanco Mesa Verde

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

GAS

WELL ☐

WELL ☒

OTHER

2. Name of Operator

San Juan Resources of Colorado

3. Address of Operator

c/o Walsh Engineering, 7415 East Main Street, Farmington, NM 87402

4. Well Location

Unit Letter H : 1785' Feet From The North Line and 1190' Feet From The East Line

Section 30 Township 30N Range 11W NMPM San Juan County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

5701' GR 5713' RKB

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

11. NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG & ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work).
SEE RULE 1103.

Set a CIBP at 5020' KB. Squeezed casing leaks from 1905' to 1968' with 150 sx (177 cu.ft.) of Cl "B" with 2% CaCl₂.
Drilled out cement and pressure tested to 1000 psi. Pressure test failed. Found casing leaks at 4001' to 4064' and 1905' to 1968'. Spotted 15 sx (18 cu.ft.) across the holes at 4001' to 4064' and squeezed to 2500 psi. Squeezed the holes from 1905' to 1968' with 150 sx (177 cu.ft.) of Cl "B" cement with 2% CaCl₂. Final squeeze pressure was 2500 psi. Drilled out the cement and pressure tested to 1500 psi - held OK.

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

SIGNATURE Paul C. Thompson

TITLE Agent/Engineer

DATE 03/11/04

TYPE OR PRINT NAME Paul C. Thompson, P.E.

TELEPHONE NO. (505) 327-4892

(This space for State Use)

APPROVED BY Charles R. [Signature]

TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #2

DATE MAR 15 2004

CONDITIONS OF APPROVAL, IF ANY: