

District I
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District II
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District III
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District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-103
Permit 69772

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFRENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NUMBER 30-045-34514
1. Type of Well:G		5. Indicate Type of Lease P
2. Name of Operator SAN JUAN RESOURCES, INC.		6. State Oil & Gas Lease No.
3. Address of Operator 1499 BLAKE ST, 10C , DENVER , CO 80202		7. Lease Name or Unit Agreement Name MEMGEM WALTERS 34
4. Well Location Unit Letter <u>J</u> : <u>1575</u> feet from the <u>S</u> line and <u>2520</u> feet from the <u>E</u> line Section <u>34</u> Township <u>32N</u> Range <u>13W</u> NMPM <u>San Juan</u> County		8. Well Number 001A
11. Elevation (Show whether DR, KB, BT, GR, etc.) 5813 GR		9. OGRID Number 20208
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 _____		10. Poolname or Wildcat

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 OF PLANS ☐ PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐ Other:	SUBSEQUENT REPORT OF: REMEDIAL WORK ☐ ALTER CASING ☐ COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐ CASING/CEMENT JOB ☐ Other: Drilling/Cement ☒

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.

See Attached
12/26/2007 Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
12/28/07	Surf	FreshWater	12.25	9.625	36	J-55	13	350	200	1.18	A				Y
01/24/08	Int1	FreshWater	8.75	7	23	J-55	1375	4270	377	2.04	65/35 Poz		1500	0	Y
01/24/08	Int1	FreshWater	8.75	7	23	J-55	1375	4270	150	1.18	STD		1500	0	Y
01/29/08	Prod	Air	6.125	4.5	11.6	N-80	4000	6875	256	2.04	65/35 Poz				Y
01/29/08	Prod	Air	6.125	4.5	11.6	N-80		6875	100	1.18	STD				Y
01/29/08	Prod	Air	6.125	4.5	11.6	J-55	4000	5927	256	2.04	65/35 Poz				Y
01/29/08	Prod	Air	6.125	4.5	11.6	J-55		5927	100	1.18	STD				Y

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

SIGNATURE Electronically Signed TITLE Manager DATE 2/21/2008
Type or print name Lori Walters E-mail address accounting@sanjuanbasin.com Telephone No. 303-573-6333

For State Use Only:

APPROVED BY: Charlie Perrin TITLE District Supervisor DATE 2/22/2008 11:31:15 AM

1/14 MJ Aztec Rig #781. Began RU.

1/15 Cont RU.

1/16 Finished RU.

1/17 Test BOP and related equipment 2000 psi. Test casing to 850 psi. PU 12 1/4" bit, mud motor. Rig up to drill mouse/rat holes.

1/18 Mix spud mud. Drill mouse/rat holes.

1/19 Fin drilling mouse hole. Pick up 8 3/4" HTC PDC bit, BM mud motor, PU DCs and tag cement @ 300'. Break circ. Drill shoe jt and guide shoe, Drill 20' cement. Drilled fm 320/1330'.

1/20-22 Drill 1330/3168'. Surveys 1673'=1/2, 2120'=3/4, 624'=1/4, 3168'=1.

1/23 Drill from 3700/3769'. Survey @ 3642' = 1□. POOH to check mud motor. PU new 8-3/4" bit and mud motor and RIH. Drilled from 3769' to 3932'.

1/24 Drill 3932/4270'. Circ hole. Made ST – no fill. POOH LD DP. Ran 7" casing: GS, 39.65' SJ., FC and 106 jts 7" 23# J-55 LT&C casing, tag bottom at 4270'. No fill. Circ casing.

1/25 RU cementers. Tested lines. Pump cement as follows: Pump lead cement of 377 sx (137 bbls) 65/35 Poz w/ 10% Gypsum-60, 5# gilsonite and 1/4# superflake, mixed @ 12.5#, 2.04 Yield and 10.81 gal water. Tail cement of 150 sx (32 bbls) std cement w/ 5# gilsonite, 1/4# superflake mixed at 15.6#, yield 1.18 and 5.19 gal. water. Lost returns with 66 bbls still to be displaced. Bumped plug. Max pressure 1950 psi. Max g rate 6 BPM, SI pressure 2120 psi. RD cementers. Pick BOP up and set slips, Install 4 1/2" casing hanger. RU to drill w/ air. WOC to run temperature log.

1/26 RU wireline and run temperature log, TOC @ 1375'. RU BlueJet and run GR/CCL/Neutron log from 4161/3300'. POOH. Pressure test BOP and related equipment. Pressure tested casing to 1500 psi for 30 min. Rig up blooie line. Set blow pit. Pressure test air line, Test air hammer. PU and made up BHA. 6 1/8" air bit, hammer, DCs, PU 1000' 3 1/2" drill pipe. Unloaded 1000' of water w/ air TIH PU 3 1/2" DP.

1/27-29 TIH. Tag cement @ 4220'. Drill cement, float collar and shoe to 4270'. Drill F 4270/6875' w/ air. Blew well clean. POOH DP & BHA. Change pipe rams to 4 1/2".

1/30 Ran 4-1/2" GS, SJ, FC, 26 jts 4-1/2" 11.6# N-80 LT&C casing, marker jt, 147 jts of 4 1/2" 11.6# J-55 LT&C casing w/ DV tool @ 1493', Tag TD @ 6875', No fill. Wait on cementers. Cement 4 1/2" casing as follows: Test lines. Pump 10 bbls water, 20 Bbls mud flush, followed with 256 sks (93 bbls) 65/35/std/poz, 8% Gel, 10% Gypsum-60, 5# Gilsonite and 1/4# Superflake, Mixed @ 12.5#, yielding 2.04 w/ 10.4 WR. Tail Cement of 100 sks (21 bbls) w/ 5# Gilsonite, 1/4# Superflake. Mixed @ 15.6#, yielding 1.18 w/ 5.2 WR. Displaced w/ 80 bbls FW. Did not bump plug, well bridged off w/ 26 bbls yet to be pumped w/ 3050 psi. Drop bomb to open DV tool. Pressure up to 3000 psi to open DV tool. Drop wiper plug and displace w/25 bbls. Circ 15 bbl of mud flush to pit, no cement. Closed DV tool. ND BOP, set slips on 4 1/2" casing, cut off RD rig.

Drilling Comments

OGRID: [20208] SAN JUAN RESOURCES, INC.
Permit Number: 69772
Permit Type: Drilling

Created By	Comment	Comment Date
KSHARP	Report hole size for 4-1/2" casing, date reached TD, top of cement for both stages on production casing, and pressure test on prod csg next report	2/22/2008