

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address SAN JUAN RESOURCES, INC. 1499 BLAKE ST, 10C DENVER, CO 80202		2. OGRID Number 20208
		3. API Number 30-045-34770
4. Property Code 37318	5. Property Name MONARCH CREST 24	6. Well No. 001

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	24	30N	12W	C	864	N	1338	W	SAN JUAN

**8. Pool Information**

BLANCO-MESAVERDE (PRORATED GAS)	72319
BASIN DAKOTA (PRORATED GAS)	71599

**Additional Well Information**

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 5517
14. Multiple Y	15. Proposed Depth 6750	16. Formation Dakota Formation	17. Contractor	18. Spud Date 9/15/2008
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mils thick    Clay <input type="checkbox"/> Pit Volume:      bbls    Drilling Method:				
Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

**19. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	9.625	36	320	225	0
Int1	8.75	7	23	4100	600	0
Prod	6.125	4.5	11.6	6750	375	5750
Prod	6.125	4.5	11.6	5750	0	3600

**Casing/Cement Program: Additional Comments**

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**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	
DoubleRam	2000	2000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. <b>I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/>.</b>	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Lori Walters	Approved By: Charlie Perrin
Title: Manager	Title: District Supervisor
Email Address: accounting@sanjuanbasin.com	Approved Date: 8/28/2008      Expiration Date: 8/28/2010
Date: 8/19/2008      Phone: 303-573-6333	Conditions of Approval Attached

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(505) 393-6161 Fax:(505) 393-0720

**District II**  
 1301 W. Grand Ave., Artesia, NM 88210  
 Phone:(505) 748-1283 Fax:(505) 748-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

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

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Form C-102  
 Permit 80569

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-34770	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 37318	5. Property Name MONARCH CREST 24	6. Well No. 001
7. OGRID No. 20208	8. Operator Name SAN JUAN RESOURCES, INC.	9. Elevation 5517

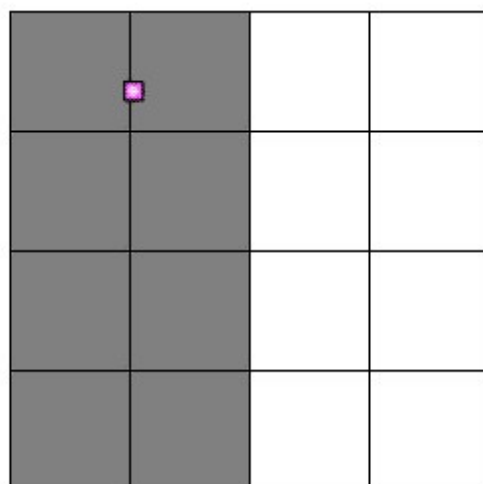
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**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00		13. Joint or Infill		14. Consolidation Code Consolidation Pending		15. Order No.			

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**



**OPERATOR CERTIFICATION**

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

E-Signed By: Lori Walters  
 Title: Manager  
 Date: 8/19/2008

**SURVEYOR CERTIFICATION**

*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.*

Surveyed By: David Russell  
 Date of Survey: 7/30/2008  
 Certificate Number: 10201

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Form C-102  
 Permit 80569

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-34770	2. Pool Code 71599	3. Pool Name BASIN DAKOTA (PRORATED GAS)
4. Property Code 37318	5. Property Name MONARCH CREST 24	6. Well No. 001
7. OGRID No. 20208	8. Operator Name SAN JUAN RESOURCES, INC.	9. Elevation 5517

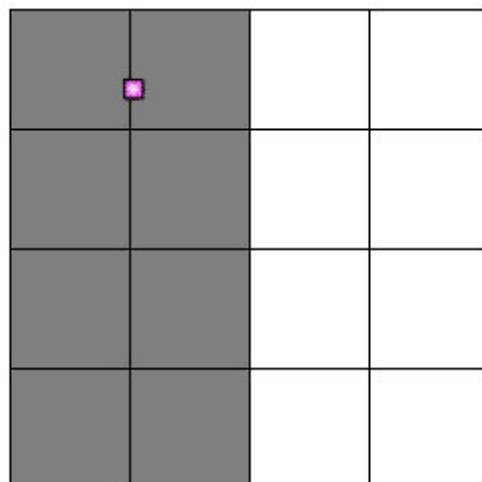
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## Permit Comments

**Operator:** SAN JUAN RESOURCES, INC. , 20208

**Well:** MONARCH CREST 24 #001

**API:** 30-045-34770

Created By	Comment	Comment Date
LWALTERS	A C-144 will be submitted upon APD approval.	8/18/2008

# Permit Conditions of Approval

Operator: SAN JUAN RESOURCES, INC. , 20208

Well: MONARCH CREST 24 #001

API: 30-045-34770

OCD Reviewer	Condition
SHAYDEN	A complete C-144 must be submitted to, and approved by, the NM OCD for: a pit, closed loop system, below grade tank, or proposed alternative method, pursuant to NMOCDC part 16.15.17, prior to the use or construction of the above applications.