

PWT 062459 884

District I - 1625 N. French Drive, Hobbs, NM 88240
District II - 1301 W. Grand Avenue, Artesia, NM 88210
District III - 1000 Rio Brazos Road, Aztec, NM 87410
District IV - 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
X Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
Yes X No

APPLICATION FOR DOWNHOLE COMMINGLING

DHC-3784

PATINA SAN JUAN, INC. Operator
5802 U.S. HIGHWAY 64 FARMINGTON, NM 87401 Address

JICARILLA B#1B H Sec 26 - T26N - R4W RIO ARRIBBA
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 173252 Property Code API No. 30-039-27780 Lease Type: Federal XXX State Fee

Table with 4 columns: DATA ELEMENT, UPPER ZONE, INTERMEDIATE ZONE, LOWER ZONE. Rows include Pool Name, Pool Code, Method of Production, Bottomhole Pressure, Oil Gravity or Gas BTU, Producing, Shut-In or New Zone, Date and Oil/Gas/Water Rates of Last Production, and Fixed Allocation Percentage.

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? N/A Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes X No

Will commingling decrease the value of production? Yes No X

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes X No

NMOCD Reference Case No. applicable to this well:

- Attachments:
C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

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

SIGNATURE [Signature] TITLE REGULATORY/ENGINEERING TECHNICIAN DATE 06/19/06
TYPE OR PRINT NAME JEAN M. MUSE TELEPHONE NO. (505) 632-8056

E-MAIL ADDRESS jmuse@patinasanjuan.com

1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-122
Revised February 21, 1991
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District II
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2086, Santa Fe, NM 87504-2086

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code	*Pool Name	
		72319 \ 71599	BLANCO MESAVERDE \ BASIN DAKOTA	
*Property Code	*Property Name		*Well Number	
65920	JICARILLA B		18	
*DGRID No.	*Operator Name		*Elevation	
173252	CORDILLERA ENERGY, INC.		6920'	

¹⁰ Surface Location

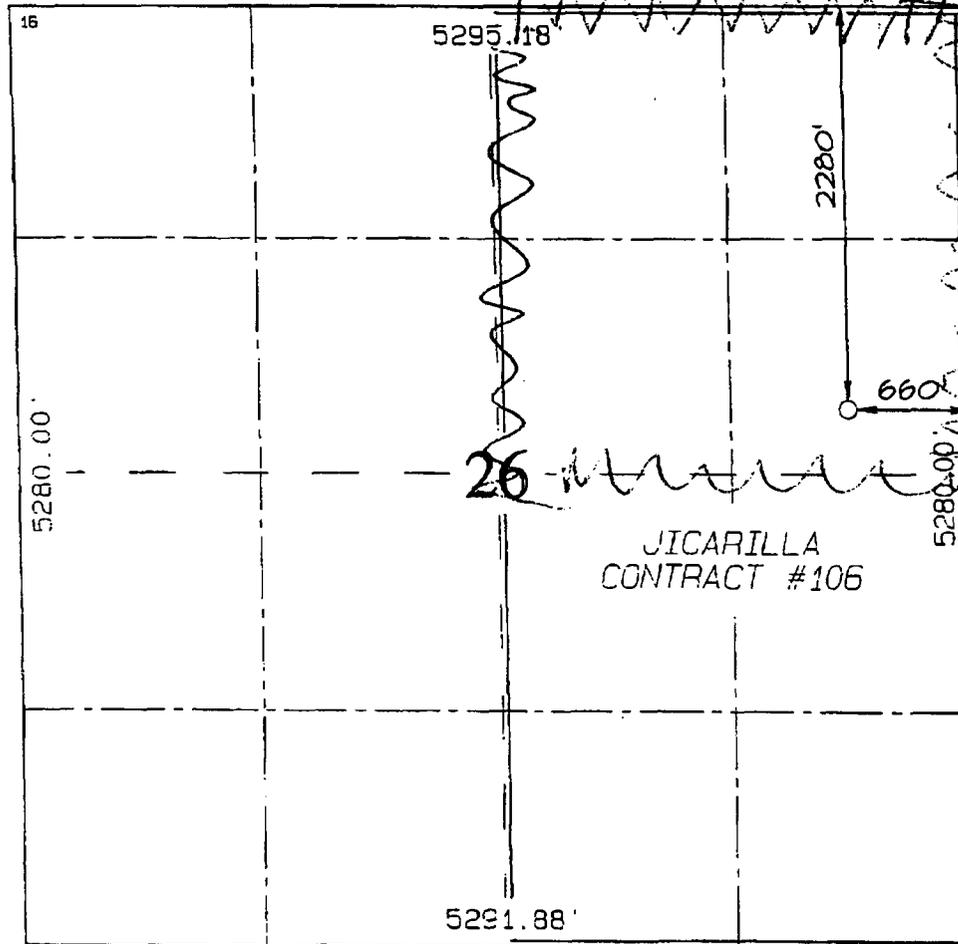
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	26	26N	4W		2280	NORTH	660	EAST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
160-Acre NE/4-PC 320.0 Acres - (E/2) MVIDK	Y		

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



¹³ OPERATOR CERTIFICATION

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

Paul C. Thompson
Signature

PAUL C. THOMPSON
Printed Name

AGENT
Title

4/8/03
Date

¹⁴ 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

Date of Survey: MAY 24, 2002

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
Certificate Number 15269

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. JICARILLA CONTRACT #106
2. Name of Operator PATINA SAN JUAN, INC.		6. If Indian, Allottee or Tribe Name JICARILLA APACHE TRIBE
3a. Address 5802 US HIGHWAY 64 FARMINGTON, NM 87402	3b. Phone No. (include area code) 505-632-8056	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2280' FNL, 660' FEL H Sec 26 - T26N - R4W		8. Well Name and No. JICARILLA B #1B
		9. API Well No. 30-039-27780
		10. Field and Pool, or Exploratory Area Basin DK/Blanco MV/Tapacito PC
		11. County or Parish, State RIO ARriba CTY, NEW MEXICO

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other TRI-MINGLE
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	PC/MV/DK POOLS
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**PATINA SAN JUAN REQUESTS APPROVAL TO DOWNHOLE TRIMMING THE TAPACITO PICTURED CLIFFS (85920),
BLANCO MESA VERDE (72319) AND BASIN DAKOTA (71599) FORMATIONS IN THE SUBJECT WELL. PRE-APPROVED ORDER
#11563 BY THE NMOCD.**

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed) _____ Title **REGULATORY COMPLIANCE**

Signature *[Signature]* Date **06/26/2006**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Recommended Allocation for Commingle

Well: Jicarilla B # 1B

30-day average production based on Offset Well Performance
(see attached decline curves)

G a s	Zone	Average MCFD	Percentage of total flow
	PC	33	28%
	MV	37	32%
	DK	46	40%
	Total	116	100%

O i l	Zone	Average BOPD	Percentage of total flow
	PC	0.006	1%
	MV	0.15	22%
	DK	0.54	78%
	Total	0.696	100%

Recommended allocation for future downhole commingled production

Zone	Gas	Oil
PC	28%	1%
MV	32%	22%
DK	40%	78%
Total	100%	100%