

OIL CONSERVATION DIVISION

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

2040 Pacheco St.
Santa Fe, New Mexico 87505

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

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

WELL API NO.	30-045-21258	
5. Indicate Type of Lease	STATE <input type="checkbox"/>	FEE <input checked="" type="checkbox"/>
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	
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	5701' GR 5713' RKB	

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 <input type="checkbox"/> GAS <input type="checkbox"/> WELL <input type="checkbox"/> WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	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 <u>H</u> : <u>1785'</u> Feet From The <u>North</u> Line and <u>1190'</u> Feet From The <u>East</u> Line Section <u>30</u> Township <u>30N</u> Range <u>11W</u> NMPM <u>SAN JUAN</u> County

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
11. NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input checked="" type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG & ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>

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.

Completed the Blanco Mesa Verde formation according to the attached treatment summary.

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

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

TITLE Agent/Engineer DATE 03/11/04
TELEPHONE NO. (505) 327-4892

(This space for State Use)

APPROVED BY [Signature]
CONDITIONS OF APPROVAL, IF ANY:

TITLE MAR 15 2004 DATE MAR 15 2004

DEPUTY OIL & GAS INSPECTOR, DIST. I

FRACTURE TREATMENT REPORT

Operator: San Juan Resources of Colorado Well Name: Lee #1
Date: 14-Jan-04
Field: Blanco Mesa Verde Location: 30/30N/11W County: San Juan State: NM
Stimulation Company: Halliburton Supervisor: Paul Thompson

Stage #: 1-Jan Blanco Mesa Verde - Point Lookout

Sand on location: Design: 114,000 Weight ticket: 114,200 Size/type: 20/40 Brady

Fluid on location: No. of Tanks: 8 Strap: 20 Amount: 3200 Usable: 2880

Perforations: Depth: 4328' - 4612' Total Holes: 34 PBTD: 5020' KB
Shots per foot: 1 spf EHD: 0.34" CIBP

Breakdown: Acid: None
Balls: None
Pressure: Rate:

Stimulation: ATP: 2250 psi AIR: 50 BPM
MTP: 2600 psi MIR: 51.5 BPM

	Sand Stage	Pressure	Rate	BHTP
ISIP: 997	pad	2101	51.4	3271
5 min: 741	0.5 ppg	2187	50.8	3414
10 min: 687	1 ppg	1930	50.7	3205
15 min: 659	1.5 ppg	2570	50.2	3915
	2.0 ppg	2350	50.0	3772

Job Complete at: 0905 hrs. Date: 3/1/2004 Start flow back: 1100 hrs
Total Fluid Pumped: 2620 bbls with 430 psi
Total Sand Pumped: 114,000 Total Sand on Formation: 114,000
Total Nitrogen Pumped: None

Notes:

All frac fluid was 2% KCl City water with biocide and 1.0 to 1.25 gal of friction reducer/1000 gal. The 1.5 ppg stage was extended due to high treating pressures. The treating pressures leveled out and remained fairly constant through the 2.0 ppg stage. The frac gradient based on the ISIP was 0.60 psi/ft.