

Submit 3 Copies To Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources

Form C-103 Revised March 25, 1999

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Ave., Artesia, NM 87210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION 1220 South St. Francis Drive Santa Fe, NM 87505

WELL API NO. 30-045-25911

5. Indicate Type of Lease STATE [] FEE [X]

6. State Oil & Gas Lease No. 024025

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name

1. Type of Well: OIL WELL [] GAS WELL [X] OTHER []

CLAYTON

2. Name of Operator PATINA SAN JUAN, INC.

8. Well No. #2A

3. Address of Operator 5802 HIGHWAY 64, FARMINGTON, NEW MEXICO 87401

9. Pool name or Wildcat BLANCO MESA VERDE

4. Well Location Unit Letter P : 790 Feet From The S Line and 945 Feet From The E Line Section 2 Township 30N Range 12W NMPM County SAN JUAN

10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5715' GR

11. 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 PLANS [] PULL OR ALTER CASING [] MULTIPLE COMPLETION [] OTHER: [] SUBSEQUENT REPORT OF: REMEDIAL WORK [] ALTERING CASING [] COMMENCE DRILLING OPNS. [] PLUG & ABANDONMENT [] CASING TEST & CEMENT JOB [] OTHER: Convert to Plunger Lift [X]

12. 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.

07/28/04 See attached "Final Report"

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

SIGNATURE [Signature] TITLE PRODUCTION TECHNICIAN DATE 29-Jul-04

TYPE OR PRINT NAME KAY S. ECKSTEIN (e-mail: keckstein@patinasanjuan.com) TELEPHONE NO. (505) 632-8056

(This space for State Use) APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. DATE AUG - 4 2004

CONDITIONS OF APPROVAL, IF ANY:

Patina San Juan, Inc.

DAILY OPERATIONS REPORT

Lease Name & Well Number Clayton # 2A		Report date: 07/29/04	Purpose: Conversion from rod pump to plunger lift	Operation Type	
		Report time: 0700 Hrs		Completion	
Report #: 3	AFE #: 111657	RKB:	Zone of interest:	Recompletion	
				Workover	X
Supervisor: K. Stills	Formation: Pt. Lookout		Formation: Menefee		
Phone #:	Perfs: 4335-4650		Perfs: 4052-4148		
Fax #:					
Plug Back Depth: 4,710	Tubing Data:		Casing Data:		
Packer Depth:					
SITP: @					
SICP: @					

Last 24 Hour Activity Summary

Pressure test tubing to 2,000psi, OK. Land tubing. Nipple down BOP. Nipple up wellhead. Rig down and release rig.

Last 24 Hour Activity Detail

Time		Elapsed Time	Description
From	To		
7:00	9:00	2:00	Make 1 run with swab cup down to the SN. Drop a standing valve. Pressure test tubing to 2000 PSI.
			Hold 10 minutes. Swab tubing dry. Retrieve standing valve.
9:00	10:00	1:00	Land tubing. RD floor, tongs, etc. ND BOP. NU wellhead.
10:00	11:00	1:00	RD rig.
			Release rig at 11:00 hours on 7/28/04
Production String			
		12.00	KB
		4628.82	147 Jts. 2 3/8" EU 8rd J-55 Tubing
		4640.82	Top of SN
		.87	SN
		.43	S.T. Collar
		4642.12	E.O.T.
Total hours:		4:00	

Comments

Projected 24 Hours

Costs

Daily Cost	Total Operation Cost	AFE Operation Cost	Total Well Cost	AFE Total Cost
\$2,850	\$10,460	\$0	\$10,460	\$0