

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

☐

Oil Well

☒

Gas Well

☐

Other

2. Name of Operator

Patina San Juan, Inc.

3a. Address

1625 Broadway, Suite 2000, Denver, CO 80202

3b. Phone No. (include area code)

303-389-3600

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FNL, 1850' FEL "G", Sec. 8, T26N - R5W

FORM APPROVED

OMB No. 1004-0135

Expires: November 30, 2000

5. Lease Serial No.

Jicarilla Contract # 152

6. If Indian, Allottee, or Tribe Name

Jicarilla

7. If Unit or CA. Agreement Designation

n/a

8. Well Name and No.

Jicarilla # 3R

9. API Well No.

30-039-27317

10. Field and Pool, or Exploratory Area

Basin Dakota / Blanco Mesaverde

11. County or Parish, State

Rio Arriba County, New Mexico

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

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Altering Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and abandon

☐ Plug back

☐ Production (Start/ Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-off

☐ Well Integrity

☒ Other Application

to Commingle

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 recompleat horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will be performed or provide the Bond No. on file with the 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 recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.)

Patina San Juan, Inc. request approval to down-hole commingle the subject well. Patina plans to down-hole commingle the Basin Dakota (71599) and Blanco Mesaverde (72319) pools in this wellbore. The commingling of the pools are pre-approved per NMOCD Order #11563. The two zones have been segregated since completion. Work will begin soon after approval.

See Attached Exhibits:

Wellbore Diagram, Allocation Method with supporting data, Statement of Commingle, Interest Owner Notification and Survey Plat.

14. I hereby certify that the foregoing is true and correct.

Name (Printed/ Typed)

Joe Mazotti

Title

Agent for Patina San Juan

Signature

Date

9/15/04

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 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 reverse)

NMOCD

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised June 10, 2003

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

2004 SEP 22 PM 12:42

WELL API NO. 30 - 039 - 27317
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. Indian/Federal Jicarilla Contract #152
7. Lease Name or Unit Agreement Name Jicarilla
8. Well Number # 3R
9. OGRID Number 173252
10. Pool name or Wildcat Basin Dakota / Blanco Mesaverde

SUNDRY NOTICES AND REPORTS ON WELLS RECEIVED (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 Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator Patina San Juan, Inc.	
3. Address of Operator 1625 Broadway, Suite 2000, Denver, CO 80202	
4. Well Location Unit Letter <u>G</u> : 1980 feet from the <u>North</u> line and <u>1850</u> feet from the <u>East</u> line Section <u>8</u> Township <u>26 North</u> Range <u>5 West</u> NMPM County <u>Rio Arriba</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6988' GR	

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 PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐
OTHER: Down-hole Commingle; pre-approved pools ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

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.

Patina San Juan, Inc. request approval to down-hole commingle the subject well. Patina plans to down-hole commingle the Basin Dakota (71599) and the Blanco Mesaverde (72319) pools in this wellbore. The commingling of the pools are pre-approved per NMOCDD Order #11563. The two zones have been segregated since completion. Work will begin soon after approval.

See Attached Exhibits:

Wellbore Diagram, Allocation Method with supporting data, Statement of Commingle, Interest Owner Notification and Survey Plat.

A copy of this application has been sent to the BLM.

Please contact Gary Ohlman at 303.389.3600 with any questions.

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

SIGNATURE [Signature] TITLE Agent for Patina San Juan DATE 9/15/04

Type or print name Joe Mazotti E-mail address: jmazotti@easy.net Telephone No. 720.352.0158

(This space for State use)

APPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any:

District I
PO Box 1980, Hobbs, NM 88241-1980

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

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

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-192
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

2004 SEP 22 PM 12 42

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-27317	*Pool Code 72319 \ 71599	*Pool Name 070 FARMINGTON NM BLANCO MESAVERDE \ BASIN DAKOTA
*Property Code 24042	*Property Name JICARILLA	*Well Number 3R
*GRID No. 173252	*Operator Name CORDILLERA ENERGY, INC.	*Elevation 6988'

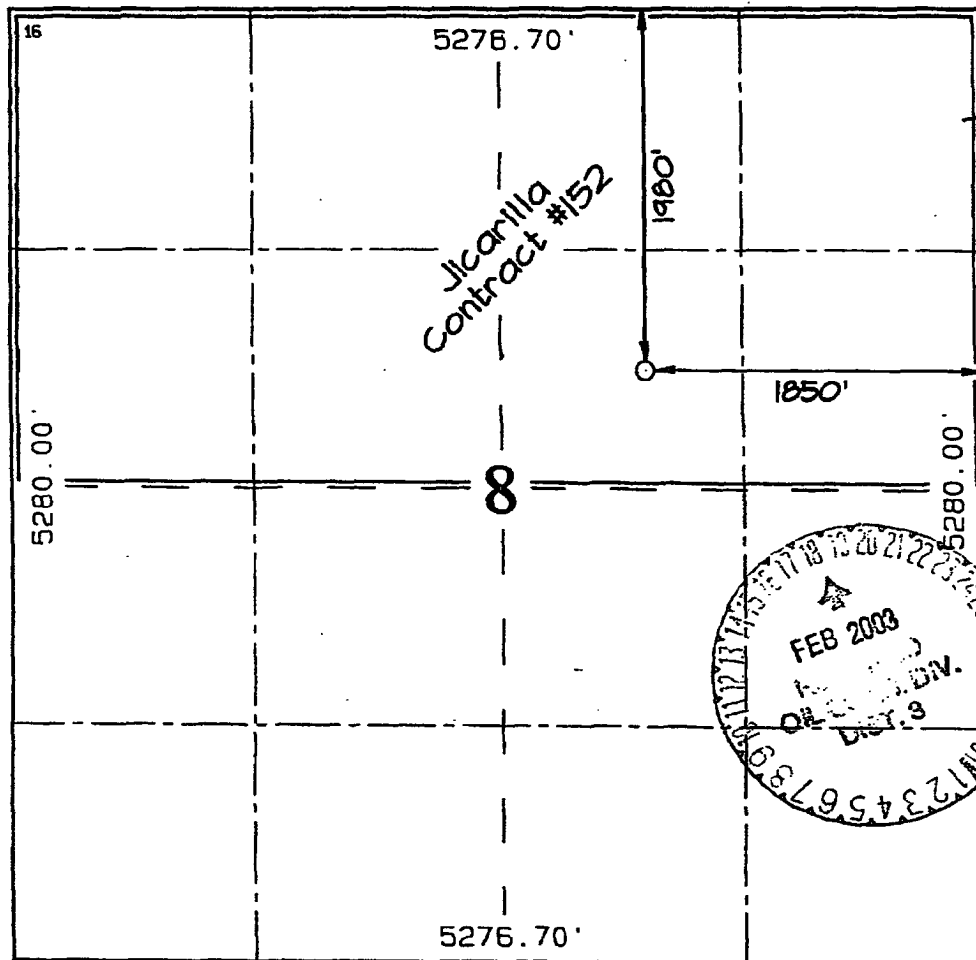

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	8	26N	5W		1980	NORTH	1850	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 320.0 Acres - (N/2)					¹³ Joint or Infill Y	¹⁴ Consolidation Code	¹⁵ Order No.		

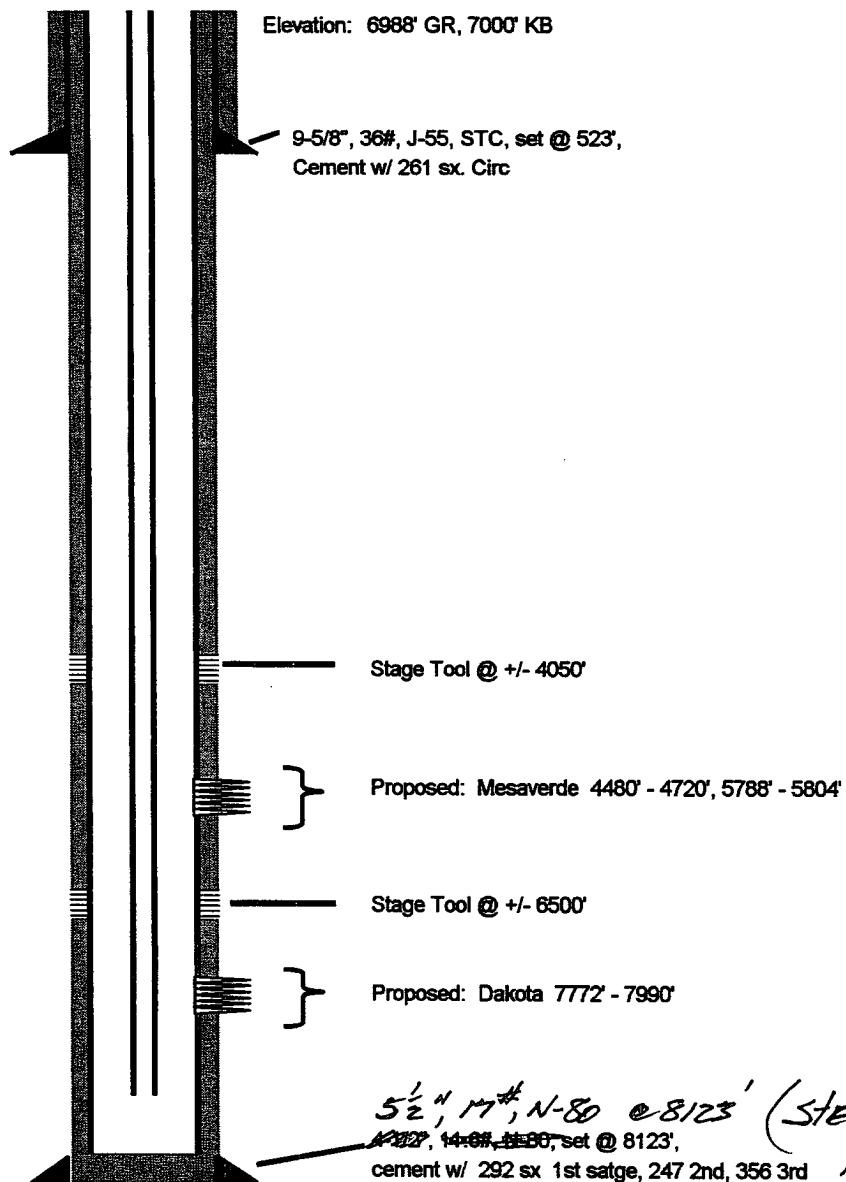
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div><p>¹⁶</p></div>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Paul C. Thompson</i> Signature Paul C. Thompson Printed Name Agent Title 7/2/02 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey: MAY 3, 2002</p> <p>Signature and Seal of Professional Surveyor</p> <div><p>JASON C. EDWARDS Certificate Number 15269</p></div>

PATINA

OIL & GAS CORPORATION

Jicarilla # 3R Proposed Down-Hole Commingle



Location: 1980' FNL, 1850' FEL, Sec
8, T26N, R5W, Rio
Arriba County, NM
Lease #: Jicarilla Contract #152

Field: Blanco Mesa Verde, Basin Dakota
Zone: Mesa Verde / Dakota
Perfs: Proposed: Mesaverde 4480' - 4720', 5
Proposed: Dakota 7772' - 7990'

Land 2 3/8" tubing mid Dakota perf

TD: 8123'
PBTD: 8070'

Recommended Allocation for Commingle

Well: Jicarilla #3R

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

G a s	Zone	Average MCFD	Percentage of total flow
	MV	58	50%
	DK	58	50%
	Total	116	100%

O i l	Zone	Average BOPD	Percentage of total flow
	MV	0.2	33%
	DK	0.4	67%
	Total	0.6	100%

Recommended allocation for future downhole commingled production

Zone	Gas	Oil
MV	50%	33%
DK	50%	67%
Total	100%	100%

T-26N-R5W
 Sections: 4-9, 16-18
 Rio Arriba, NM

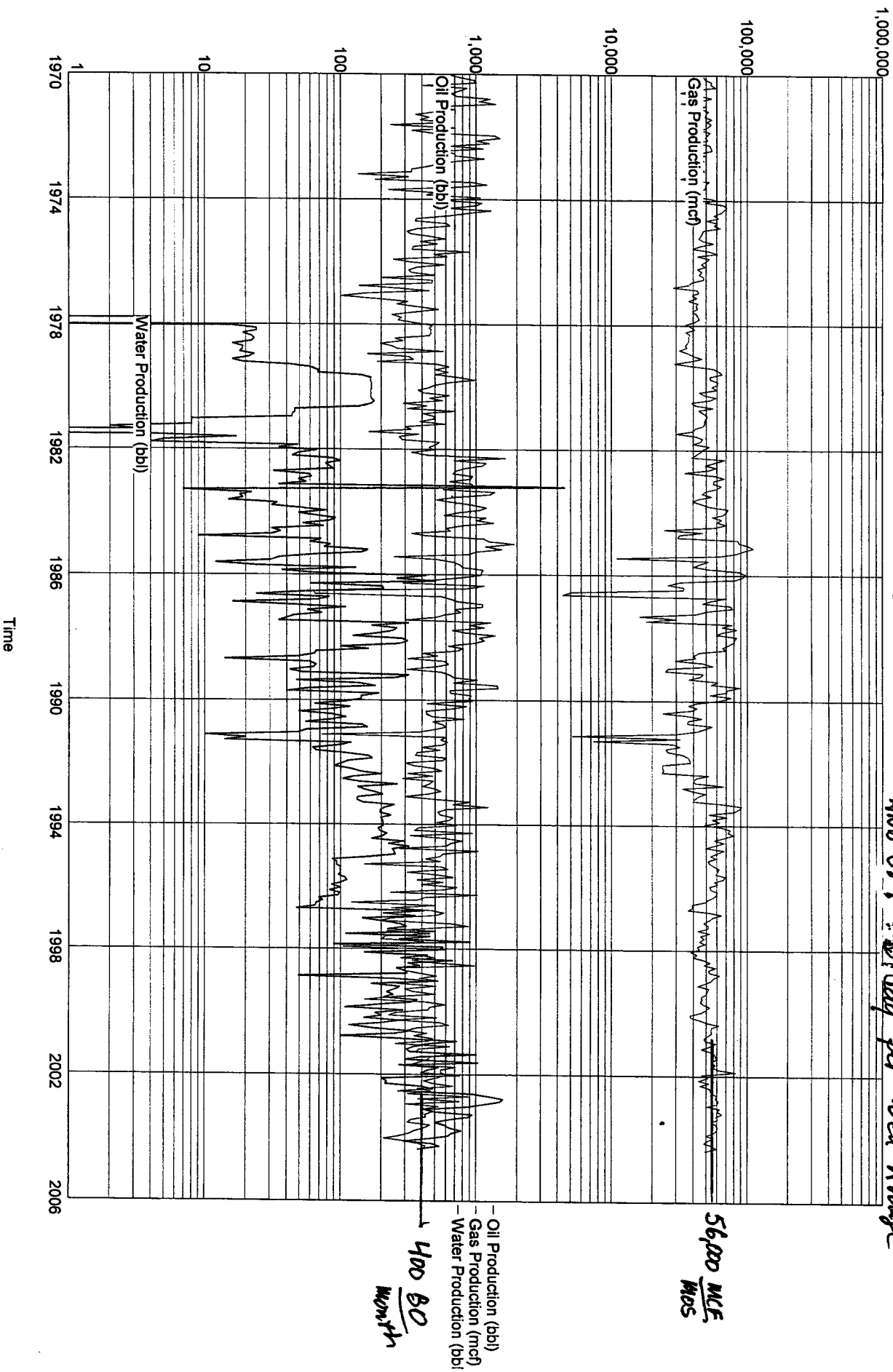
Lease Name: MULTIPLE
 County, State: RIO ARRA, NM
 Operator: MULTIPLE
 Field: BASIN
 Reservoir: DAKOTA
 Location:

32 Active Dakota wells
 Average 56,000 MCF FOR 32 wells
 $\frac{56,000 \text{ MCF/well} \times 32 \text{ wells}}{32 \text{ wells}} = 1,750 \text{ MCF/mo}$
 $\frac{1,750 \text{ MCF/mo}}{30.4 \text{ days}} = 57.56 \text{ MCF/day}$

9 Section Plot
 MULTIPLE - BASIN
 Summary

= 56 MCF per well Average
 AND 0.4 MCF/day per well Average

Production Rates



T 26N - R 5W
Sections: 4-9, 16-18
Rio Arriba, NM

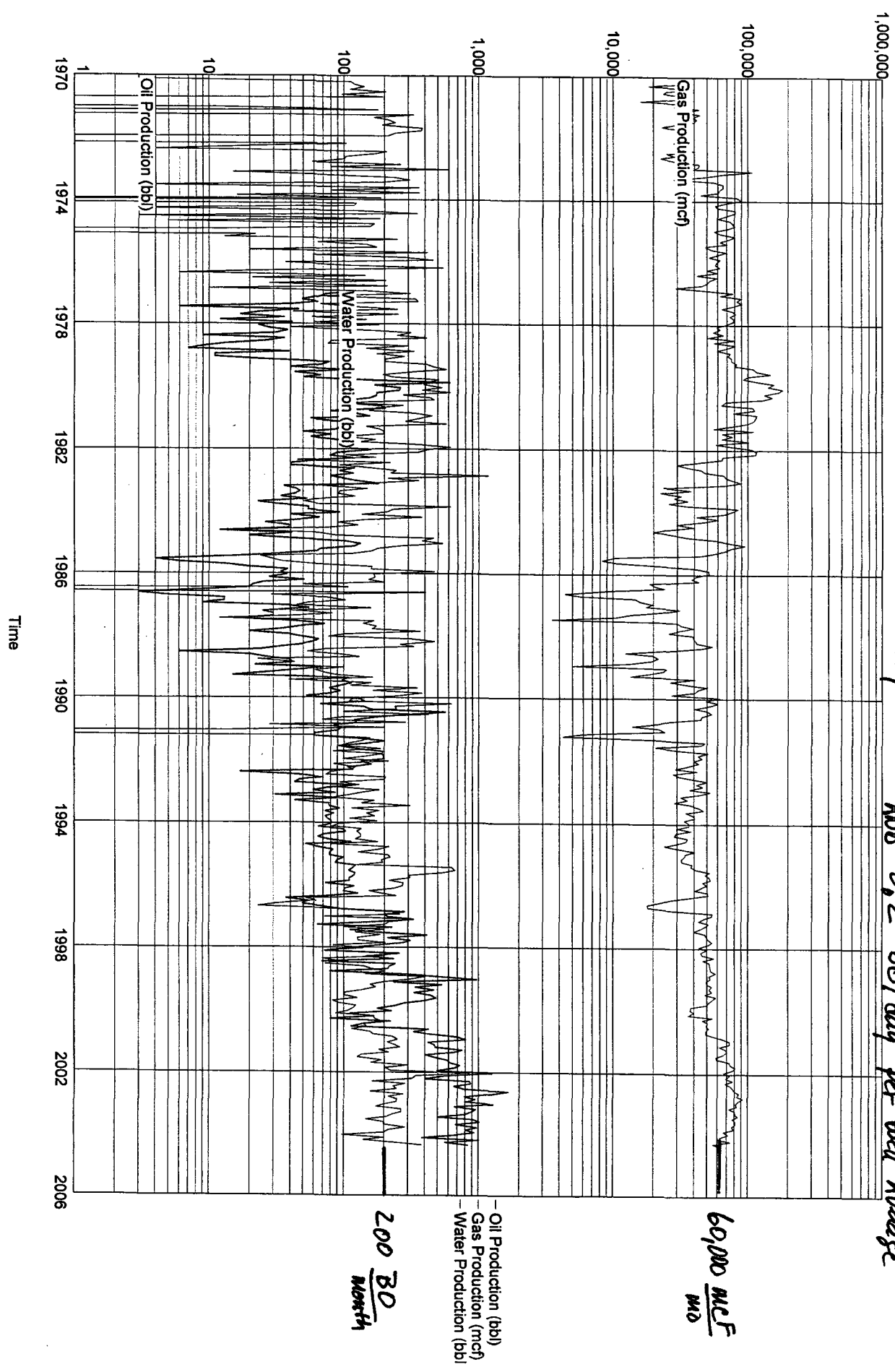
Lease Name: MULTIPLE
 County, State: RIO ARBA, NM
 Operator: MULTIPLE
 Field: BLANCO
 Reservoir: MESAVERDE
 Location:

57 ACTIVE MESAVERDE WELLS
 Average 60,000 MCF/MO FOR 34 WELLS
 $\frac{60,000 \text{ MCF/MO}}{34 \text{ wells}} = 1,764 \text{ MCF/MO}$
 well * 30.4 days/mo

9 Section Plot
 MULTIPLE - BLANCO
 Summary

= 58 MCF/day per well Average
 AND 0.2 BO/day per well Average

Production Rates



60,000 MCF
 MO

200 BO
 Month

Oil Production (bb)
 Gas Production (mcf)
 Water Production (bb)

Statement of Commingling

Jicarilla # 3R
"G", Section 8, T26N – R5W
Rio Arriba County, New Mexico

The commingling of the Blanco Mesa Verde and Basin Dakota pools in this wellbore will not reduce the value of the remaining production. Commingling these pools should increase the value of the remaining reserves due to using the remaining reservoir energy in both zones to produce the well.

Commingling operations conducted on other similar wells have resulted in increased production rates and greater reserve than producing the zones separately.

Statement of Notification

Jicarilla #3R
"G", Section 8, T26N – R5W
Rio Arriba County, New Mexico

No notification is required for this well.

The interested parties in the Basin Dakota and Blanco Mesaverde are identical.



Joe Mazotti
Agent for Patina San Juan, Inc.