

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)

1750' FSL, 1450' FEL "J", Sec. 7, T26N - R3W

FORM APPROVED

OMB No. 1004-0135

Expires: November 30, 2000

5. Lease Serial No.
Jicarilla Contract #97

6. If Indian, Allottee, or Tribe Name
Jicarilla

7. If Unit of CAL Agreement Designation

8. Well Name and No.

Tribal "C" #10

9. API Well No.

30-046-06538

10. Field and Pool, or Exploratory Area

Pictured Cliffs / 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 reclamation, 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 Tapacito Pictured Cliffs (85920) and Mesaverde Point Lookout (72319) pools in this wellbore. The commingling of the pools are pre-approved per NMOCD Order #11563. The well is currently a Dakota/PC commingle, Patina San Juan, Inc plans to set a CIBP @ approx. 6200' and isolate the Dakota and perforate the Point Lookout at approx. 5765' - 5895', then commingle the production with the Tapacito Pictured Cliffs. Work will begin soon after approval.

See Attached Exhibits: Wellbore Diagram, Allocation Method with supporting data, Statement of Commingle, Interest Owner Statement, NM Form C-102

Please contact Gary Ohlman at 303.389.3600 with any questions.

D/HC 1252 AZ

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

Name (Printed/ Typed)

Joe Mazotti

Title

Agent for Patina San Juan

Signature

Date

1/19/05

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Division of Multi-Resources

Date

FEB 11 2005

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)

FARMINGTON

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

WELL API NO. 30-039-06538
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. Indian/Federal Jicarilla Contract #97
7. Lease Name or Unit Agreement Name Tribal "C"
8. Well Number # 10
9. OGRID Number 173252
10. Pool name or Wildcat Mesaverde Point Lookout / Tapacito Pictured Cliffs

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 Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	COPY
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>J</u> : 1750 feet from the <u>South</u> line and <u>1450</u> feet from the <u>East</u> line Section <u>7</u> Township <u>26 North</u> Range <u>3 West</u> NMPM County <u>Rio Arriba</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6883' GR	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
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"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: Down-hole Commingle; pre-approved pools <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>

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 Mesaverde Point Lookout (72319) and the Tapacito Pictured Cliffs (85920) pools in this wellbore. The commingling of the two pools is pre-approved per NMOCD Order #11563.

The well is currently a Dakota/PC commingle, Patina San Juan, Inc plans to set a CIBP @ approx. 6200' and isolate the Dakota and perforate the Point Lookout at approx. 5765' - 5895', then commingle the production with the Tapacito Pictured Cliffs. Work will begin soon after approval.

See Attached Exhibits: Wellbore Diagram, Allocation Method with supporting data, Statement of Commingle, interest owner notification and Location 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 1/18/05
Type or print name Joe Mazotti E-mail address: jmazotti@eazy.net Telephone No. 720.352.0158
(This space for State use)

APPROVED BY _____ TITLE _____ DATE _____
Conditions of approval, if any:

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-06538	² Pool Code 72319	³ Pool Name Mesa Verde / Point Lookout
⁴ Property Code	⁵ Property Name Tribal "C"	⁶ Well Number 10
⁷ OGRID No. 173252	⁸ Operator Name Palina San Juan, Inc.	⁹ Elevation 6883' GR

¹⁰ Surface Location

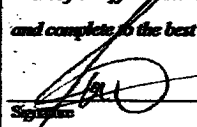
UL or lot no. J	Section 7	Township 26N	Range 3W	Lot No.	Feet from the 1750	North/South line South	Feet from the 1450	East/West line East	County Rio Arriba
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. J	Section 7	Township 26N	Range 3W	Lot No.	Feet from the 1750	North/South line South	Feet from the 1450	East/West line East	County Rio Arriba
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¹² Dedicated Acres E/2, 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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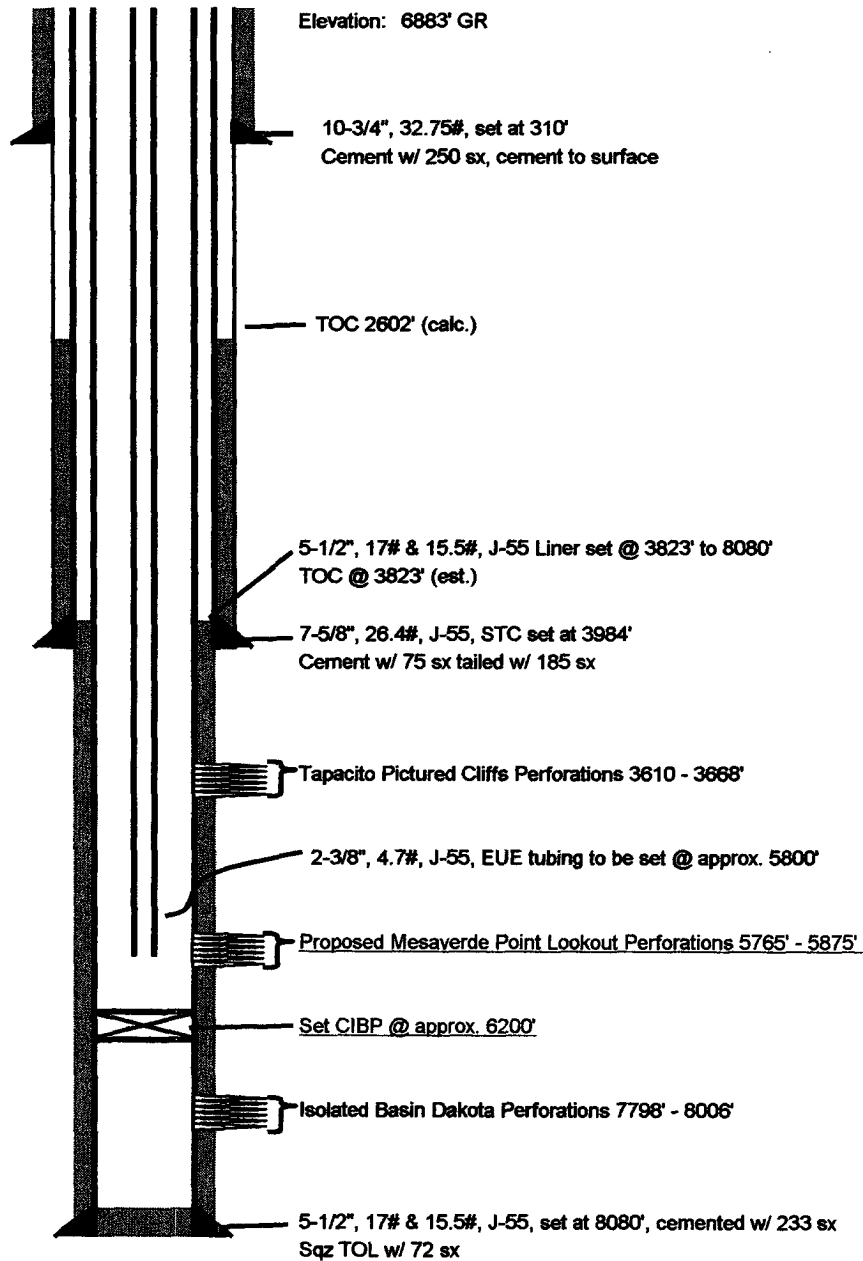
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  _____ Joe Mazoffi Printed Name Agent for Palina San Juan jmazoffi@eazy.net Title and E-mail Address January 18, 2005 Date
					¹⁸ 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. n/a Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

PATINA

OIL & GAS CORPORATION

Tribal "C" #10 Proposed Comminlged Wellbore



Location: 1750'FSL, 1450'FEL,
Sec 7, T26N, R3W,
Rio Aribba County, NM

Field: Pictured Cliffs / Mesaverde
Zone: Tapacito Pictured Cliffs /
Mesaverde Point Lookout

TD: 8093'
PBTD: 8044'

NOTE: Proposed changes to wellbore underlined and in BLUE

Recommended Allocation for Commingle

Well: Tribal C #10-7

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

G a s	Zone	Average MCFD	Percentage of total flow
	PC	38	43%
	MV	50	57%
	Total	88	100%

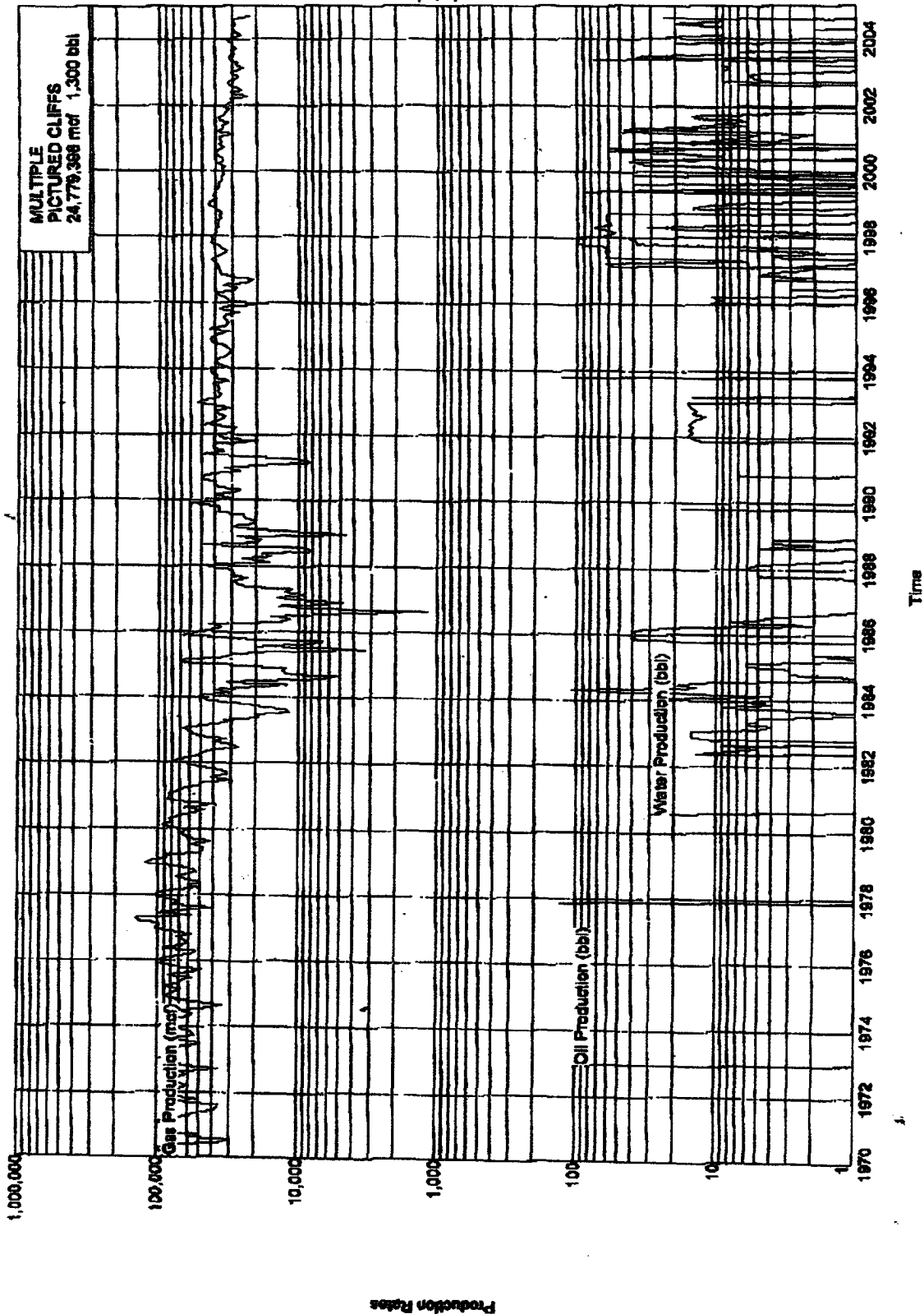
O i l	Zone	Average BOPD	Percentage of total flow
	PC	0.01	7%
	MV	0.14	93%
	Total	0.15	100%

Recommended allocation for future downhole commingled production

Zone	Gas	Oil
PC	43%	7%
MV	57%	93%
Total	100%	100%

Lease Name: MULTIPLE
 County, State: RIO ARBA, NM
 Operator: MULTIPLE
 Field: TAPACITO
 Reservoir: PICTURED CLIFFS
 Location:

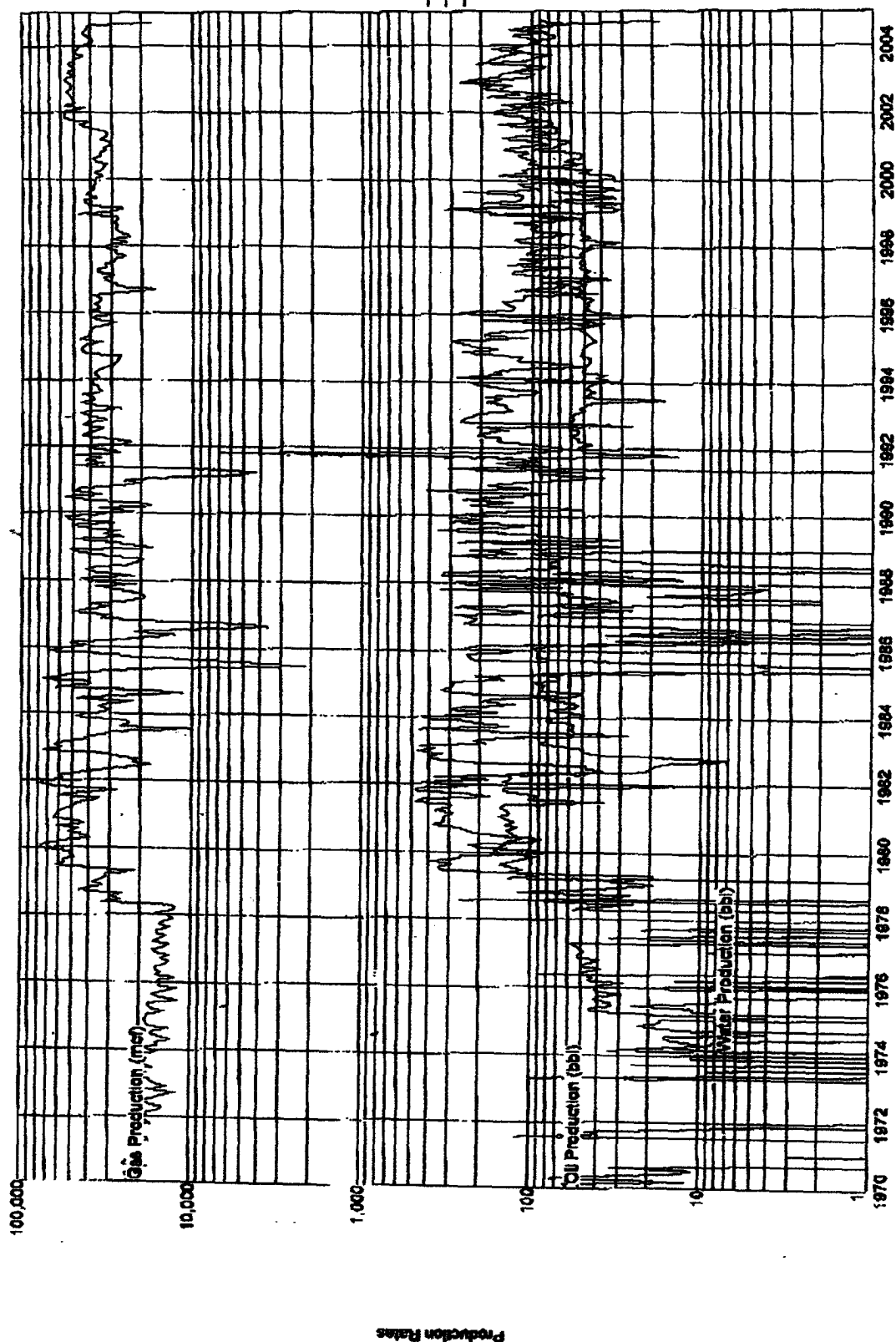
MULTIPLE PICTURED CLIFFS



- Oil Production (bbl)
 - Gas Production (mcf)
 - Water Production (bbl)

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

MULTIPLE MESAVERDE



Tribal "C" #10
Section 7, T26N – R3W
Rio Arriba County, New Mexico

Data from surrounding 9 – Sections, active Pictured Cliffs and Mesa Verde Wells

Pictured Cliffs Wells

24 active Pictured Cliffs wells

Gas Production

Well average monthly rate = 27500 mcf

Monthly rater per well = $27500/24 = 1146$ mcf

Daily rate per well = $1146/30.4 = 37.7$ mcfd

Oil Production

Well average monthly rate = 8 bopm

Monthly rater per well = $8/24 = .33$ bopm

Daily rate per well = $.33/30.4 = 0.01$ bopd

Mesa Verde Wells

23 active Mesa Vede wells

Gas Production

Well average monthly rate = 35000 mcf

Monthly rater per well = $35000/23 = 1522$ mcf

Daily rate per well = $1522/30.4 = 50$ mcfd

Oil Production

Well average monthly rate = 100 bopm

Monthly rater per well = $100/23 = 4.3$ bopm

Daily rate per well = $4.3/30.4 = 0.14$ bopd

Statement of Notification

Tribal "C" #10
Section 7, T26N – R3W
Rio Arriba County, New Mexico

No notification is required for this well; the interested parties in Tapacito Pictured Cliffs and Mesaverde Point Lookout pools are identical.

Note: Interest is in common in all three zones in this well (Picture Cliffs, Mesaverde and the isolated Dakota).



Joe Mazotti
Agent for Patina San Juan

Statement of Commingling

Tribal "C" #10
Section 7, T26N – R3W
Rio Arriba County, New Mexico

The commingling of the Tapacito Pictured Cliffs and Mesaverde Point Lookout 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.