

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

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

Form C-103
May 27, 2004

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.)		WELL API NO. 30-039-27782
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator PATINA SAN JUAN, INC		6. State Oil & Gas Lease No.
3. Address of Operator 5802 U.S. HIGHWAY 64 FARMINGTON, NEW MEXICO 87401		7. Lease Name or Unit Agreement Name HOYT
4. Well Location Unit Letter <u>N</u> : <u>860</u> feet from the <u>SOUTH</u> line and <u>1770</u> feet from the <u>WEST</u> line Section <u>5</u> Township <u>26N</u> Range <u>4W</u> <u>NMPM</u> <u>RIO ARRIBA</u> County		8. Well Number #2B
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 7189' GL		9. OGRID Number 173252
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Basin Dakota/Blanco Mesa Verde
Pit type <u>Drilling</u> Depth to Groundwater <u>>100'</u> Distance from nearest fresh water well <u>>200'</u> Distance from nearest surface water <u>>1000'</u>		
Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume _____ bbls; Construction Material <u>SYNTHETIC</u>		

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 COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: APPLICATION FOR DRILLING PIT PERMIT ☒

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. proposes the downhole commingle of the Basin Dakota (pool #71599) and Blanco Mesa Verde (pool #72319) in this wellbore. Both of these pools are pre-approved under NMOCD Order #11563. This well will be completed and commingled upon approval from the NMOCD in September, 2005.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE [Signature] TITLE REGULATORY/ENGINEERING TECHNICIAN DATE 08/05/05

Type or print name
For State Use Only

E-mail address:

Telephone No.

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE AUG 23 2005

Conditions of Approval (if any):

Statement of Notification- BLM

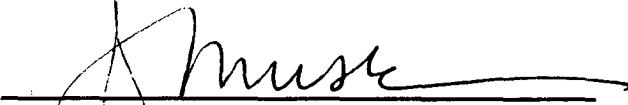
Hoyt #2B
API 30-039-27782
UL "N" Sec 5, T26N - R4W
Rio Arriba County, New Mexico

Jenney#1C
API 30-039-29257
UL "J" Sec 13, T26N - R4W
Rio Arriba County, New Mexico

McIntyre #1C
API 30-039-29259
UL "C" Sec 11, T26N - R4W
Rio Arriba County, New Mexico

The Bureau of Land Management has been sent copies of the commingling application form ~~C-107A~~ for each of these wells.

C-103 for preapproved pools



Jean M. Muse
Regulatory/Engineering Technician
Patina San Juan, Inc.

Recommended Allocation for Commingle

Well: Hoyt #2B

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

G a s	Zone	Average MCFD	Percentage of total flow
	MV	56	44%
	DK	72	56%
	Total	128	100%

O i l	Zone	Average BOPD	Percentage of total flow
	MV	0.16	16%
	DK	0.82	84%
	Total	0.98	100%

Recommended allocation for future downhole commingled production

Zone	Gas	Oil
MV	44%	16%
DK	56%	84%
Total	100%	100%

Statement of Notification- BLM

Hoyt #2B
API 30-039-27782
UL "N" Sec 5, T26N – R4W
Rio Arriba County, New Mexico

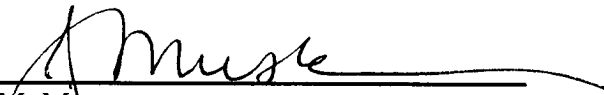
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McIntyre #1C
API 30-039-29259
UL "C" Sec 11, T26N – R4W
Rio Arriba County, New Mexico

The following operators in the area have been sent copies of the commingling application form C-~~107A~~ for each of these wells.

103 for pre-approved pools

Energex
Conoco Phillips
Burlington
XTO
BP Amoco
Williams Production




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Regulatory/Engineering Technician
Patina San Juan, Inc.

Statement of Commingling

Hoyt #2B
API 30-039-27782
UL "N" Sec 5, T26N – R4W
Rio Arriba County, New Mexico

The commingling of the Basin Dakota and Blanco Mesa Verde 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 wells.

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



Jean M. Muse
Regulatory/Engineering Technician
Patina San Juan, Inc.