

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SEP 02 2014

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

| | | |
|--|---|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM 03011 |
| 2. Name of Operator San Juan Resources, Inc. | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 1499 Blake St, Suite 10C, Denver, CO 80202 | 3b. Phone No. (include area code) 303-573-6333 | 7. If Unit or CA/Agreement, Name and/or N |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Unit M, Section 5, T24N, R3W | | 8. Well Name and No. Clark #4 |
| | | 9. API Well No. 30-039-05618 |
| | | 10. Field and Pool, or Exploratory Area Blanco PC South |
| | | 11. County or Parish, State Rio Arriba, NM |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input checked="" type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operations (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 recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with 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 recompletion in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices 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.)

RCVD SEP 9 '14

Well has been shut in due to plugged tbg. Replaced bottom 4 jts that were plugged and swabbed tested well. Started making large volume of water with little to no gas. Set RBP at 3176' (top perf is at 3222'). Pressure test casing and found 150 psi leak off. Plan to isolate holes and squeeze with either Class "B" neat or Fine Grained Matrix cement depending upon injection rate.

DIST. 3

Discussed operations with B. Powell w/ NMOCD & T. Salyers w/ BLM Farmington Field Office on 8/13/2014 and received approval to proceed with casing repair.

Notify NMOCD 24 hrs prior to beginning operations

SEE ATTACHED FOR CONDITIONS OF APPROVAL

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

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

| | |
|--|---------------------------|
| Name (Printed/Typed) John C. Thompson | Title Agent / Engineer |
| Signature | Date August 13, 2014 |

THIS SPACE FOR FEDERAL OR STATE USE

| | | |
|---|---------------|------------------|
| Approved by Troy Salyers | Title PE | Date 9/4/2014 |
| 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 FFO | |

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOCD PV

BLM CONDITIONS OF APPROVAL

CASING REPAIR, WORKOVER AND RECOMPLETION OPERATIONS:

- 1. If casing repair operations are needed, obtain prior approval from this office before commencing repairs. If a CBL or other logs are run, provide this office with a copy.**
- 2. After any casing repair operations, test cement squeeze to a minimum of 500# for 30 minutes with no more than 10 % pressure fall off in the 30 minute test period. Provide test chart with your subsequent report of operations**
- 3. A properly functioning BOP and related equipment must be installed prior to commencing workover, casing repair, and/or recompletion operations.**
- 4. Contact this office at (505) 564-7750 prior to conducting any cementing operations: Please contact Troy Salyers @ (505) 608-1989 if casing leaks are identified and a plan of repair is established.**

SPECIAL STIPULATIONS:

- 1. Pits will be fenced during work-over operation.**
- 2. All disturbance will be kept on existing pad.**
- 3. All pits will be pulled and closed immediately upon completion of the recompletion and work-over activities.**
- 4. Pits will be lined with an impervious material at least 12 mils thick.**