

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: November 30, 2000

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.*

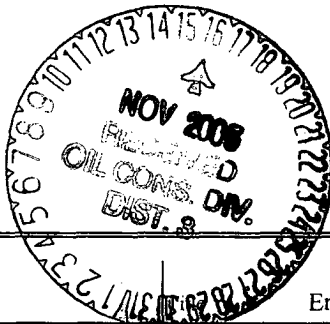
SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. U.S. Grant #1
2. Name of Operator San Juan Resources of Colorado		9. API Well No. 30045 32185
3a. Address c/o Walsh Engineering & Prod. Corp. 7415 East Main St. Farmington, NM 87402	3b. Phone No. (include area code) (505) 327-4892	10. Field and Pool, or Exploratory Area Basin Dakota & Blanco MV
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1455' FNL & 1730' FEL Sec. 19, T30N, R11W		11. County or Parish, State San Juan, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION		TYPE OF ACTION			
<input 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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input checked="" type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other	
<input type="checkbox"/> Final Abandonment Notice	<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 Operation (clearly state all pertinent details, including estimated date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete 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.)

09/29/05 San Juan Resources of Colorado, fraced the U.S. Grant #1 per the attached treatment reports.



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)
Paul C. Thompson
Engineer / Agent

Signature

Paul C. Thompson

Date

November 3, 2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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 operation thereon.

Title

Office

ACCEPTED FOR RECORD

Date

NOV 10 2005

FARMINGTON FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, makes 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.

NMOCD

FRACTURE TREATMENT REPORT

Operator: San Juan Resources of Colorado Well Name: U.S. Grant #1
Date: 30-Sep-05
Field: Basin Dakota - Blanco Mesa Verde Location: 19/30N/11W County: San Juan State: NM
Stimulation Company: BJ & Computalog Supervisor: Paul Thompson

Stage #: 1/3 Lower Dakota

Sand on location: Design: 60,000# Weight ticket: 130,460 Size/type: 20/40 SLC

Fluid on location : No. of Tanks: 8 Strap: 20 Amount: 3200 Usable: 2880

Perforations: Depth: 6533-6583 Total Holes: 48 PBTD: 6656' KB
Shots per foot: 3 spf EHD: 0.45
Loggers

Breakdown: Acid: 500 gal of 15% HCl Formation broke 1797 psi.
Balls: None
Pressure: 2650 psi Rate: 5 BPM

Stimulation: ATP: 2745 psi AIR: 32.1 BPM
MTP: 3215 psi MIR: 33.1 BPM

	Sand Stage	Pressure	Rate	BHTP
ISIP: 1645	pad	2789	29.3	4768
5 min: 1323	1 ppg	2806	32.8	4802
10 min: 1185	2 ppg	2741	32.7	4883
15 min: 1076	3 ppg	2689	32.7	4977
	4 ppg	2651	32.5	5077

Job Complete at: 0915 hrs. Date: 9/30/2005 Start flow back: _____
Total Fluid Pumped: 940.3 Bbls
Total Sand Pumped: 60,000# Total Sand on Formation: 60,000# SLC
Total Nitrogen Pumped: None

Notes:
All frac fluid was 2% KCl and City water with biocide and 20#/1000 gal gel fluid with, crosslinker, surfactant, pH buffers, non-emulsifying agents, enzyme breaker, and ammonium persulfate breaker. The frac gradient based on the ISIP was 0.70 psi/ft Steadily increasing Nolte plot throughout the job. Saw a 300 psi treating pressure drop as the acid passed through the perms.