

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

1025 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

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

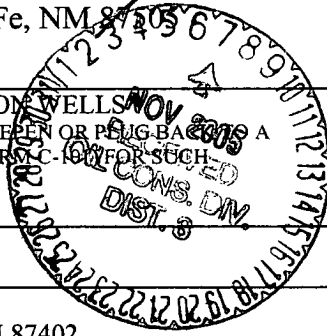
WELL API NO. 30-045-32185
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name U.S. Grant
8. Well Number #1
9. OGRID Number 020208
10. Pool name or Wildcat Basin Dakota - Blanco Mesa Verde

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG-ABANDON A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-104) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☐ Other ☐

2. Name of Operator
San Juan Resources of Colorado

3. Address of Operator
c/o Walsh Engineering 7415 E. Main St., Farmington, NM 87402



4. Well Location
Unit Letter G : 1460 feet from the North line and 1570 feet from the East line
Section 19 Township 30N Range 11W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5666' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

San Juan Resources of Colorado request approval to downhole commingle the production from the Basin Dakota (71599) and the Blanco Mesa Verde (72319) formations. These two pools were pre-approved for downhole commingling in order R-11363. The Dakota was perforated from 6490' to 6581' and the Mesa Verde was perforated from 4316' to 4379' KB. Based on the attached cumulative production from the two pools in the nine adjacent sections, San Juan Resources proposes to allocate 64.3% of the gas and 87.1% of the oil to the Dakota formation and 35.7% of the gas and 12.9% of the oil to the Mesa Verde formation. San Juan Resources of Colorado believes that the downhole commingling will not reduce the value of the total remaining production. The ownership in both formations is common in this well and the downhole commingling has been approved by all of the revenue owners of the well.

DHC 2051AZ

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 Paul C. Thompson TITLE Agent DATE 11/3/05

Type or print name Paul C. Thompson, P.E. E-mail address: paul@walsheng.net Telephone No. 505.327.4892

For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. IV DATE NOV 07 2005

Conditions of Approval (if any):