Submit 3 Copies To Appropriate District Office	State of New Mo		and the second s	Form C-103
·District I	Energy, Minerals and Natural Resources		WELL API NO.	May 27, 2004
1628 N. French Dr., Hobbs, NM 88240 District II	ov. gov.g===================================		30-039-29514	
1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERVATION DIVISION		5. Indicate Type of L	Lease
<u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410	1220 South St. Francis Dr.		STATE	FEE
<u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM	Santa Fe, NM 8	1303	6. State Oil & Gas Lo	ease No.
87505				
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.)			7. Lease Name or UnTRIBAL 08	nit Agreement Name
1. Type of Well: Oil Well Gas Well Other			8. Well Number #1	2
2. Name of Operator PATINA SAN JUAN, INC.			9. OGRID Number	173252
3. Address of Operator 5802 US HIGHWAY 64, FARMINGTON, NM 87401			10. Pool name or Wi	
4. Well Location				
	feet from the SOUTH		feet from the W	
Section 5	Township 26N Ran		NMPM RIO ARR	IBA County
	11. Elevation (Show whether DR 6912'GR	, KKB, KI, GR, etc.)		
Pit or Below-grade Tank Application O		3777		
Pit type_reserveDepth to Groundwa	ter <u>>100'</u> Distance from nearest	fresh water well <u>>1000</u>	' Distance from neares	t surface water >1000'
Pit Liner Thickness: 12 mi	Below-Grade Tank: Volume	bbls; Construc	tion Material reinforced p	olyethylene plastic
12. Check A	ppropriate Box to Indicate N	ature of Notice, I	Report or Other Da	ta
NOTICE OF IN		L	TOUCHT DEDO	DT OF
NOTICE OF IN' PERFORM REMEDIAL WORK □	PLUG AND ABANDON	REMEDIAL WORK		TERING CASING ☐
TEMPORARILY ABANDON	CHANGE PLANS	COMMENCE DRIL		AND A
PULL OR ALTER CASING	MULTIPLE COMPL	CASING/CEMENT	JOB 🗆	
OTHER: COMMINGLE PRO		OTHER:	·	
of starting any proposed wo	eted operations. (Clearly state all prk). SEE RULE 1103. For Multip			
or recompletion.				
Patina San Juan Inc. proposes the	_	~=	•	\ E /
in this wellbore. Both of these pool		CD Order #11563.	This well will be com	pleted and
commingled upon approval from the	ie NMOCD in December, 2005.	56780	2	
		(3° 4)		
	ļ.	DEC 2005		
	r i de la companya d	RECENSED DIST. 3	A A	
		E OIL COME DI	g. 5]	
\wedge	AC 2062AZ	e Dis t.8		
<u>~</u>	W		.\B\$	
I hereby certify that the information a grade tank has been/will be constructed or c			and belief. I further cer r an (attached) alternative	rtify that any pit or below- OCD-approved plan
SIGNATURE	MY TITLE P	egulatory/Engineer	ing Technician DAT	E <u>11/15/2005</u>
Type or print name For State Use Only	E-mail ad	dress:	Teleph	none No.
	1/1/2 - SPV	TY OOL & GAS INSPE	CROR. DKS1. 4:	DEC 0 7 2005
APPROVED BY: Conditions of Approval (if any):	TITLE_		DA	ATE DEO 01 2000

Statement of Notification-BLM

Tribal 05 #09 API 30-039-29515 UL "I" Sec 5, T26N - R3W Rio Arriba County, New Mexico

Tribal 08 #12_ API 30-039-29514 UL "L" Sec 8, T26N - R3W Rio Arriba County, New Mexico

The Bureau of Land Management has been sent copies of the commingling application form C-103 and form MMS 3160-5 for each of these wells.

Jean M. Muse

Regulatory/Engineering Technician Patina San Juan, Inc.

Patina San Juan, Inc. 5802 US Highway 64 Farmington, NM 87401

Tribal 05 #09 API 30-039-29515 UL "I" Sec 5, T26N – R3W Rio Arriba County, New Mexico

Tribal 08 #12 API 30-039-29514 UL "L" Sec 8, T26N – R3W Rio Arriba County, New Mexico

Re: Application to Down-Hole Commingle

The commingling of the Basin Dakota and Blanco Mesa Verde pools in these wellbores 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.

Recommended Allocation for Commingle

Well: Tribal 8 #12

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

G	Zone	Average MCFD	Percentage of total flow
а	MV	35	39%
s	DK	54	61%
	Total	89	100%

O	Zone	Average BOPD	Percentage of total flow
i	MV	0.13	25%
	DK	0.4	75%
	Total	0.53	100%

Recommended allocation for future downhole commingled production

Zone	Gas	Oil
MV	39%	25%
DK	61%	75%
Total	100%	100%