

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007**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
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
PATINA SAN JUAN, INC.3a. Address
5802 US HIGHWAY 64 FARMINGTON, NM 874023b. Phone No. (include area code)
505-632-8056

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1035' FSL, 660' FWL
M Sec 30 - T31N - R12W5. Lease Serial No.
SF078244

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
HARMS WAY 30 #299. API Well No.
30-045-3120610. Field and Pool, or Exploratory Area
Basin Dakota/Blanco Mesa Verde11. County or Parish, State
SAN JUAN COUNTY, NEW MEXICO

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 type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>Update drilling plans</u> |
| | <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 starting 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.)

PATINA SAN JUAN IS SUBMITTING AN UPDATED DRILLING PLAN FOR THE APPROVED PERMIT TO DRILL.

SEE ATTACHED PLAN.

2005 DEC 21 PM 2 57
RECEIVED
070 FARMINGTON NM

14. I hereby certify that the foregoing is true and correct
-
- Name (Printed/Typed)

JEAN M. MUSE

Title REGULATORY/ENGINEERING TECH

Signature

Date

12/20/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USEApproved 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 operations thereon.Title Reg. EngDate 1/4/06Office FFO

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

(Instructions on page 2)

NMOCDD

**Harms Way Federal 30 #29
General Drilling Plan
Patina San Juan, Inc.
San Juan County, New Mexico**

1. LOCATION:

Est. elevation: 5906'
SESE of Section 30, T31N, R12W
San Juan, New Mexico

Field: Blanco Mesa Verde & Basin DK
Surface: BLM
Minerals: SF 078244

API#: 3004531206

2. SURFACE FORMATION, ESTIMATED TOPS AND WATER, OIL, GAS OR MINERAL BEARING FORMATIONS (TVD):

Surface formation – Nacimiento

| <u>Formation</u> | <u>Estimated Formation Top (Ft)</u> |
|-------------------------|--|
| Ojo Alamo | 1127 |
| Kirtland | 1278 |
| Fruitland | 1842 |
| Pictured Cliffs** | 2212 |
| Lewis | 2412 |
| Cliff House** | 3775 |
| Menefee** | 3928 |
| Point Lookout*** | 4552 |
| Mancos | 4883 |
| Gallup | 6065 |
| Greenhorn | 6590 |
| Graneros | 6647 |
| Dakota *** | 6718 |
| TD | 7000 |

Legend: * Freshwater bearing formation
 ** Possible hydrocarbon bearing formation
 *** Probable hydrocarbon bearing formation
 # Possible H2S bearing formation

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected.

3. PRESSURE CONTROL EQUIPMENT:

BOP equipment will be tested to its rated working pressure or 70-percent of the internal yield of the surface casing, but not to exceed 1,000 psi. See attachments for BOP and choke manifold diagrams.

Production Hole BOP Requirements and Test Plan

11" – 2,000 psi single ram (blind)

11" – 2,000 psi single ram (pipe)

Test as follows:

| | | |
|--------------------|------------------|---------------|
| a) Pipe rams: | 1,000 psi (High) | 250 psi (low) |
| b) Choke manifold: | 1,000 psi (High) | 250 psi (low) |
| c) Choke lines: | 1,000 psi (High) | 250 psi (low) |

All ram type preventers and related equipment will be hydraulically tested at nipple-up. They will also be retested in either of the following events:

- A pressure seal is broken.
- 30 days have elapsed since the last successful test of the equipment.

Furthermore, BOP's will be checked daily as to mechanical operating condition. All ram type preventers will have hand wheels, which will be operative and accessible at the time the preventers are installed. See attached Exhibit for details on the BOP equipment.

AUXILIARY EQUIPMENT:

- a) Manually operated kelly cock (upper and lower)
- b) Full opening manually operated safety valves in the full open position, capable of fitting all drill stem connections.

4. CASING DESIGN:

| Hole Data | | | | |
|--------------|-------------------|----------------------|----------|-------------|
| Interval | Bit Size (Inches) | Casing Size (Inches) | Top (Ft) | Bottom (Ft) |
| Surface | 13.50 | 9.625 | 0 | 300 |
| Intermediate | 8.75 | 7.0 | 0 | 4900 |
| Production | 6.25 | 4.5 | 4600 | 7000 |

| Casing Data | | | | | | | |
|-------------|-------------|-----------------|-------|--------|----------------|-------------|--------------------|
| OD (Inches) | ID (Inches) | Weight (Lbs/Ft) | Grade | Thread | Collapse (psi) | Burst (psi) | Min. Tensile (Lbs) |
| 9.625 | 8.921 | 36.0 | J55 | STC | 2,020 | 3,520 | 394,000 |
| 7.000 | 6.366 | 23.0 | L80 | LTC | 3,830 | 6,340 | 435,000 |
| 4.5 | 4.276 | 11.6 | N80 | LTC | 6,350 | 7,780 | 223,000 |

MINIMUM CASING DESIGN FACTORS:

COLLAPSE: 1.125

BURST: 1.00

TENSION: 1.80

Area Fracture Gradient Range: 0.7 – 0.8 psi/foot

Maximum anticipated reservoir pressure: 2,500 psi

Maximum anticipated mud weight: 9.0 ppg

Maximum surface treating pressure: 3,750 psi

Float Equipment:

Surface Casing: Guide shoe on bottom and 3 centralizers on the bottom 3 joints.

Intermediate Casing: Float shoe on bottom joint and a float collar one joint up from float shoe. One centralizer 10 ft above float shoe and nine centralizers spaced every joint above the float collar. Stage tool above the Cliffhouse formation. One centralizer below stage tool and one centralizer above stage tool.

Production Casing: 4 1/2" whirler type cement nosed guide shoe and a float collar on top of bottom joint with centralizers over potential hydrocarbon bearing zones.

CEMENTING PROGRAMS:

9-5/8" Surface casing:

225 sx Type III cement with 3% CaCl_2 , 1/4#/sx cellofakes. 100% excess to circulate cement to surface. WOC 12 hrs. Pressure test surface casing to 1000 psi for 30 minutes.

Slurry weight: 14.5 ppg
Slurry yield: 1.42 ft³/sack

| | | |
|---------------|----------------------------------|------------------|
| Volume basis: | 40' of 9-5/8" shoe joint | 17 cu ft |
| | 300' of 13-1/2" x 9-5/8" annulus | 147 cu ft |
| | <u>100% excess (annulus)</u> | <u>147 cu ft</u> |
| | Total | 311 cu ft |

Note:

1. Design top of cement is the surface.
2. Have available 100 sx Type III cement with 2% CaCl_2 for top out purposes.

7" Intermediate Casing:

1st Stage:
170 sx of Type III cement plus additives
Slurry weight: 12.3 ppg
Slurry yield: 2.22 ft³/sx

2nd Stage: (Stage tool at $\pm 3000'$)
Lead: 240 sx of Type III cement plus additives
Slurry weight: 12.3 ppg
Slurry yield: 2.22 ft³/sx

Tail: 50 sx of Type III cement plus additives
Slurry weight: 14.5 ppg
Slurry yield: 1.40 ft³/sx

| | | |
|---------------|-----------------------------|------------------|
| Volume Basis: | 40' of 7" shoe joint | 9 cu ft |
| | 4600' of 7" x 8 3/4" hole | 692 cu ft |
| | 300' of 7" x 9 5/8" casing | 50 cu ft |
| | <u>30% excess (annulus)</u> | <u>223 cu ft</u> |
| | Total | 974 cu ft |

Note:

1. Design top of cement is surface.
2. Actual cement volumes to be based on caliper log plus 30%.

4 1/2" Production casing:

175 sx of Type III cement plus additives

Slurry weight: 12.5 ppg

Slurry yield: 2.06 ft³/sx

| | | |
|---------------|--|-----------------|
| Volume basis: | 40' of 4 1/2" shoe joint | 5 cu ft |
| | 2100' of 4 1/2" x 6 1/4" hole | 216 cu ft |
| | 300' of 4 1/2" x 7" casing overlap | 33 cu ft |
| | 200' above 4.5" liner (without drill pipe) | 44 cu ft |
| | <u>30% excess (annulus)</u> | <u>75 cu ft</u> |
| | Total | 373 cu ft |

Note:

1. Design top of cement is ±4400' (200' above the top of the 4.5" liner w/out drill pipe).
2. Actual cement volumes to be based on caliper log plus 30%.

5. MUD PROGRAM:

The surface hole will be drilled with spud mud. Gel and polymer sweeps will be used from surface to 300 feet as necessary to keep hole clean.

The intermediate hole will be drilled with water until mud up at about 3100 ft. From mud up point to intermediate casing depth (±4900'), it will be drilled with a LSND mud. Anticipated mud weight ranges from 8.5 – 9.2 ppg. Mud weight will be increased as required to maintain hole stability and control gas influx.

The production hole will be drilled with air or air/mist to TD.

Sufficient mud materials to maintain stable wellbore conditions (for either well control or lost circulation scenarios) will be maintained at the well site.

No chrome-based additives will be used in the mud system.

6. EVALUATION PROGRAM:

Mud logger: From base of surface casing to TD.

Testing: No DST is planned

Coring: None Planned

Electric logs: Intermediate Hole:

1) DIL-GR-SP: TD to base of surface casing.

2) LDT-CNL-GR-CAL-PE: TD to base of surface casing

Production Hole:

1) No open hole logs

2) Cased hole resistivity & porosity logs

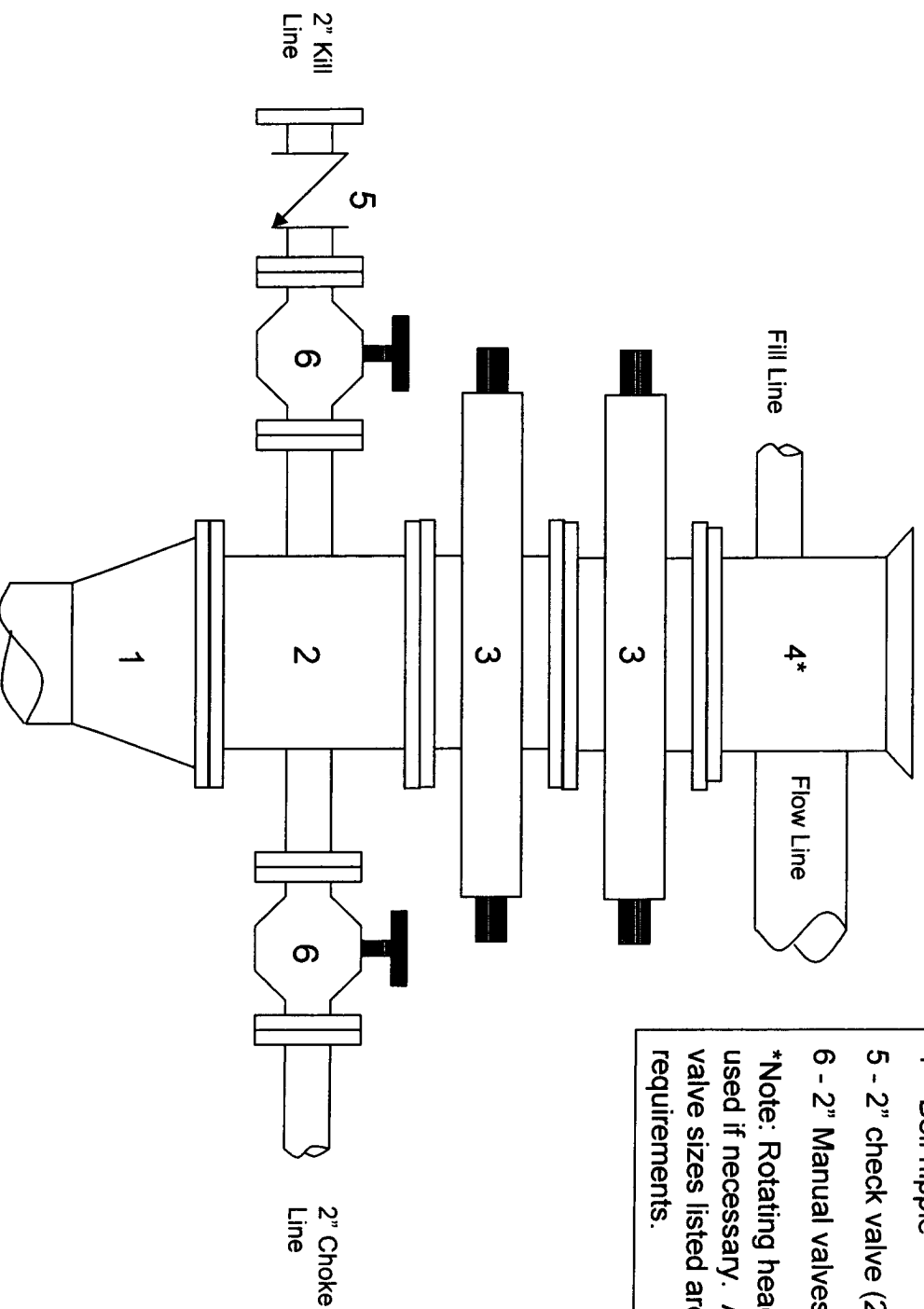
7. ABNORMAL PRESSURE AND TEMPERATURE:

| | |
|---------------------------|-----------|
| H ₂ S | None |
| Coal | Fruitland |
| Minerals | None |
| Water | None |
| Static BHT | 175° F |
| Lost Circulation | Possible |
| Hole Deviation | None |
| Abnormal Pressures | None |
| Unusual Drilling Problems | None |

8. ANTICIPATED STARTING DATE: Q1, 2006

Anticipated duration: 16 days

Harms Way Federal 30 #29 2000 psi BOP stack Minimum requirements

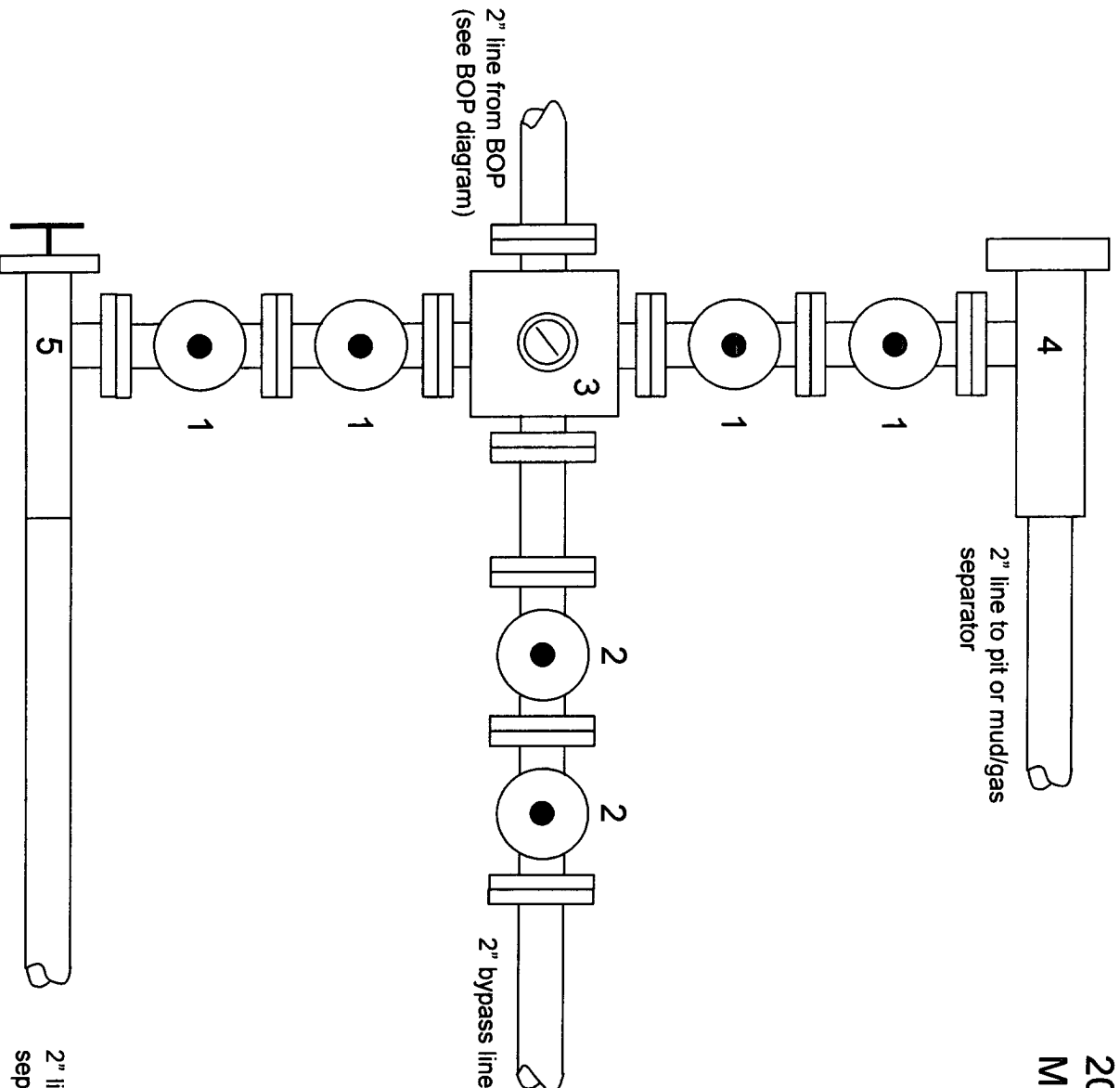


Components

- 1 - Wellhead 9-5/8" (2M)
- 2 - Drilling spool 11" (2M)
- 3 - A double or two single rams with blinds on bottom 11" (2M)
- 4 - Bell nipple*
- 5 - 2" check valve (2M)
- 6 - 2" Manual valves (2M)

*Note: Rotating head may also be used if necessary. Also, all line and valve sizes listed are minimum requirements.

Harms Way Federal 30 #29 2000 psi Choke Manifold Minimum requirements



| Components |
|---|
| 1 – 2" Valve (2M) |
| 2 – 2" Valve (2M) |
| 3 – Mud cross with gauge (2M) flanged below the gage. |
| 4 – Adjustable choke (2M) |
| 5 – Adjustable choke (2M) |
| Note: All line and valve sizes listed are minimum requirements. |