

Submit 3 Copies To Appropriate District Office
District I
1625 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

RCVD OCT26'06

OIL CONSERVATION DIV.
DISTRICT III

State of New Mexico
Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

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.)		WELL API NO. 30-045-32956
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator San Juan Resources, Inc		6. State Oil & Gas Lease No. 34695
3. Address of Operator 1400 Blake #7K, Denver, CO 80202		7. Lease Name or Unit Agreement Name U.S. Grant
4. Well Location Unit Letter <u>D</u> : <u>710</u> feet from the <u>North</u> line and <u>1275</u> feet from the <u>West</u> line Section <u>19</u> Township <u>30N</u> Range <u>11W</u> NMPM <u>San Juan</u> County		8. Well Number 1E
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5589' GR		9. OGRID Number 20208
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>		
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, Inc requests 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 6399' to 6577' and the Mesa Verde was perforated from 4276' to 4525' KB. 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. This is the same allocation that was recently approved for the US Grant 1 (API 30-045-32185).

OHC 2432AZ

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 Dean C. Collins TITLE Agent DATE October 26, 2006

Type or print name Dean C. Collins

E-mail address: collinsd@zianet.com

Telephone No. (505) 320-6425

For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. III DATE OCT 26 2006
Conditions of Approval (if any):

8 10/26