

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

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

WELL API NO.

30-045-33768

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
MEMGEM WALTERS 34

8. Well Number #1

9. OGRID Number

020208

10. Pool name or Wildcat

Blanco Mesa Verde / Basin Dakota

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.)

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

2. Name of Operator San Juan Resources, Inc.

3. Address of Operator c/o Walsh Engineering

7415 East Main Street, Farmington, NM 87402

4. Well Location

Unit Letter I 1980' feet from the SOUTH line and 885' feet from the EAST line

Section 34 Township 32N Range 13W NMPM County San Juan

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

5777' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Depth to Groundwater 50' Distance from nearest fresh water well 71000' Distance from nearest surface water 7200' < 1000'

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: FILE RESERVE PIT EXTENSION ☒

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. would like to get a 6-month extension on the above well in order to remove the pit liner and cuttings per the landowner request. Due to inclement weather, the material is too wet to handle at this time.

RCVD FEB14'07

OIL CONS. DIV.

DIST. 3

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 Gwen Brozzo TITLE Production Tech. DATE 02/08/07

Type or print name Gwen Brozzo E-mail address: gwen@walsheng.net Telephone No. 505-327-4892

For State Use Only

APPROVED BY: Brandon Penell TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE FEB 14 2007
Conditions of Approval (if any):

Patrick and Joleen Walters
PO Box 299
LaPlata, NM 87418

Oil Conservation Division
1000 Rio Brazos Rd
Aztec, NM 87410

2-5-07

RCVD FEB6'07

OIL CONS. DIV.

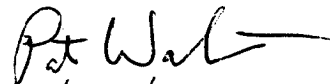
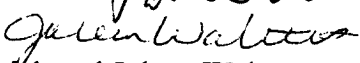
Dear Sir,

DIST. 3
San Juan Resources, Inc. has drilled and completed a well on our property, the Memgem Walters 34#1 situated in Section 34:S/2,T32N-R13W, San Juan County, NM. Due to the harsh weather conditions encountered this winter, they have notified us they will need a six month extension to complete the closure of the pit.

San Juan Resources, Inc. has indicated to us this would allow normal drying and evaporation of the pit, and said exemption will not endanger fresh water, public health or the environment.

As the surface owner under this well, we are requesting an additional 6-month extension in which to close the pit for the Memgem Walters 34 #1 well operated by San Juan Resources.

Sincerely,



Patrick and Joleen Walters