

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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO. 30-045-32956
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name US GRANT
8. Well Number #1E
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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> 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 D 710' feet from the NORTH line and 1275' feet from the West line Section 19 Township 30N Range 11W NMPM County San Juan	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5589' GR	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type _____ Depth to Groundwater 750' Distance from nearest fresh water well 7500' Distance from nearest surface water 7350'	
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.

BP * Jerry McHugh informed the NMOC (Brandon Powell) that he was going to comply with timeline in the attached Landowner timeline. This information was given to the NMOC by phone on Feb. 22, 2007

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 NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE [Signature] TITLE Production Tech. DATE 02/13/07

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

For State Use Only

APPROVED BY: Brandon Powell TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE 2/26/07

Conditions of Approval (if any):

* The pit must be closed on or by May 7, 2007

RCVD FEB23'07

OIL CONS. DIV.

DIST. 3

PIT EXTENSION AGREEMENT

THIS PIT EXTENSION AGREEMENT (hereinafter "Pit Extension Agreement") is made this 14th day of February, 2007 by and between Lucille Selph, 218 Road 3000, Aztec, NM, 87410, hereinafter called "Surface Owners", whether one or more, and San Juan Resources, Inc., ("SJR") 1499 Blake Street, #7K, Denver, CO 80202, hereinafter called Operator.

Reserve pit is situated on the San Juan Resources, Inc., U. S. Grant #1E, natural gas well, located in Township 30 North, Range 11 West, Section 19: NW/4, San Juan County, New Mexico. Operator and surface owners agree to keep the pit open ~~an additional six (6) months~~ ^{until May 7, 2007} to allow for natural evaporation and drying. Additional evaporation and drying will ensure the proper closure of the pit. *Jhr 2/23/07*
L.S.

Prior to closure of the pit, SJR agrees to pull the pit liner and extract the cuttings from the pit.

SJR agrees not to keep the pit open any longer than necessary. SJR agrees to close the pit once the appropriate amount of drying and evaporation have occurred. Said pit closure will be in accordance with the terms and provisions as set forth in that certain Access, Surface Damage and Use Agreement dated July 20th, 2006 by and between Lucille Selph, Owners and SJR, Operator.

Agreed to and accepted this 14th day of February, 2007.

San Juan Resources, Inc., Operator

Jerry McHugh
By: Jerry McHugh
President

Lucille Selph
Lucille Selph, Surface Owner