

Submit 1 Copy 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  
October 13, 2009

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

WELL API NO. 30-04534770
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 Monarch Crest 24
8. Well Number 1
9. OGRID Number 20208
10. Pool name or Wildcat /blanco MV/Basin Dakota
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5517' GL

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  
1499 Blake Street 10C, Denver, CO 80202

4. Well Location  
Unit Letter C : 864 feet from the North line and 1338 feet from the West line  
Section 24 Township 30N Range 12W NMPM San Juan County

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 ☐  
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P. AND A ☐  
CASING/CEMENT JOB ☒

OTHER: Intermediate Csg ☒

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

See Attached Sheet

RCVD JUN 22 '10  
OIL CONS. DIV.  
DIST. 3

INCLUDE CSG WEIGHT AND GRADE NEXT REPORT

Spud Date:

6/1/2010

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Dean C. Collins TITLE Agent DATE 6/21/2010

Type or print name Dean C. Collins E-mail address: collinsd@zianet.com PHONE: 505-325-3514

For State Use Only

APPROVED BY: Deputy Oil & Gas Inspector, TITLE District #3 DATE JUN 24 2010

Conditions of Approval (if any):

# Monarch Crest 24-1

6/21/2010

6/8/2010 MIRU AZTEC 545 OUT OF YARD. EXTRA RIG UP TIME DUE TO RIG BEING STACKED OUT IN THE YARD SUCH A LONG TIME THAT A LOT OF THE EQUIPMENT NEEDED FOR RIG UP IS MISSING.

6/9/2010 CUT DRILL LINE REPLACE 450'. NU BOP AND FLOW LINES. MIX ½ PIT OF MUD 65 VIS TO DRILL BOULDERS IN RAT AND MOUSE HOLE TEST KELLY TO UPPER KELLY COCK VALVE 2000# HIGH, 10 MIN, OK, 250# LOW 5 MIN, OK. TEST SURFACE CASING AND MANIFOLD VALVES AND LINES FAILED, TIGHTENED FLANGE BOLTS ON BOP AND UNIONS ON MANIFOLD. RE-TEST SURFACE CASING, BLIND RAMS AND MANIFOLD TO 2000# HIGH FOR 30 MIN. OK, TEST 250# LOW 10 MIN OK. RUN PLUG, TEST PIPE RAMS TO 2000# HIGH 10 MIN, OK, TEST TO 250# LOW FOR 5 MIN OK. NUMBER ONE PUMP BLEW HEAD GASKET, REPAIR PUMP OR CHANGE OUT TOMMORROW. RU CELLAR JET PUMP. PU MUD MOTOR AND 8 ¾" BIT PREPARING TO START DRILLING MOUSE AND RAT HOLES.

6/10/2010 DRILLED 14' OF RAT HOLE, SLOW RATE DUE TO BOULDERS, MULTIPLE RIG REPAIRS AND TROUBLE KEEPING CELLAR SUCKED OUT WITH 400GPM PUMP RATE FOR MUD MOTOR

6/11/2010 DRILL RAT HOLE (BOULDERS) 9 ½ HRS WITH 8 ¾" BIT TD @ 44' TOH WITH 8 ¾" BIT. TIH WITH 12 ¼" BIT REAM HOLE 1 ½ HRS PULL BIT SET RAT HOLE. DRILL MOUSE HOLE 2 ½ HRS. DRILLING BOULDERS IN MOUSE HOLE 7 HRS WITH 8 ¾" BIT DEPTH 10'.

6/12/2010 DRILLIED MOUSE HOLE BOULDERS. LD MUD MOTOR AND BIT, SERVICE RIG, SERVICE PUMPS, PU PDC BIT MUD MOTOR AND 6 ½" DRILL COLLARS, CONDITION MUD. DRILLING BAFFLE PLATE WIPER PLUG AND CEMENT. SHUT DOWN DUE TO VALVES ON PUMPS ONE AND TWO FULL OF ROCKS, CHECKED MUD PIT FOUND ROCKS AND GRAVEL COVERING BOTTOM OF MUD PIT. CLEANED OUT MUD WITH WATER TRUCKS AND IEI SUPER SUCKERS. TRANSFERRED MUD BACK TO CLEAN PIT ACROSS SHALE SHAKER TO CATCH ANY GRAVEL OUT OF WATER TRUCKS, BUILD VOLUME IN PIT.

6/13/2010 DRILLED TO 1445', AVG. ROP 60' P/H THE LAST 24 HOURS.

6/14/2010 DRILLED SAND AND SHALE TO 2974', AVG. ROP 81' P/H THE LAST 24 HOURS. HOLE STARTED TAKING FLUID AT 2755', SHUT DOWN BUILD VOLUME IN MUD PIT, RAISE VIS IN PIT TO 50, MIX 20 SACKS OF CEADER FIBER WITH MUD, PUMP LCM, PILL, GETTING BACK FULL RETURNS, CONT. DRILLING.. NOTIFIED KELLY ROBERTS WITH NMOC D APPROX TIME WE WOULD BE RUNNING CSING AND CEMENTING, STEVE HAYDEN WAS FORWARDING ALL OF HIS CALLS TO KELLY.

6/15/2010 TD-INTERMEDIATE HOLE @ 3772' @ 17:00 PM 6-15-10. CIRCULATE BOTTOMS UP, PULL 10 STANDS SHORT TRIP, DRAGGED F/3425-T/3525', CIRC & CONDITION HOLE-MIX & PUMP BAR PILL- TOO H LD DP- TIGHT SPOT @ 1802'KB. NOTIFY KELLY ROBERTS W/NMOC D @ 23:45 OF PENDING BOP PRESSURE TEST.

6/16/2010 RU PERMIAN CASING CREW. MU 7" CMT NOSE GUIDE SHOE, 1-JT, AUTO FILL COLLAR AND RIH W/ 42 JTS 7" CASING TO 1800'. TAG AND CIRCULATE THRU BRIDGE 1800 TO 2000'. RIH W/ 7" CASING CIRC PERIODICALLY DUE TO BRIDGES. TAG PBT D @ 3772'KB. PULL UP TO 3070'KB. RU HALLIBURTON CEMENTERS. MIX AND PUMP 500 SXS HALLIBURTON LIGHT W/ 6% GEL, 5# /SX GILSONITE, 1/8 #/SX POLY-FLAKE MIXED @ 12.5 PPG ( 1.82 YIELD =910 FT3 (162 BBLS) W/ ANNULAR VOLUME CAPACITY (101 BBLS)). TAIL IN W/150 SXS CLASS "G" NEAT W/ 1/8#/SX POLY-FLAKE MIXED @ 15.6 PPG W/ 1.18 YIELD = 177 FT3 (32 BBLS)- DISPLACE W/ 146.5 BBLS W/ LOST RETURNS @ 100 BBLS. BUMPED PLUG W/ 3000 PSIG. RECOVERED SPACER W/O ANY CEMENT TO SURFACE. PLUG DOWN @14:29 HRS 6-16-2010. NOTIFY KELLY ROBERTS W/ NMOC D @ 14:30 HRS 6-16-2010 OF PENDING TEMPERATURE LOG F/8-T/11 HRS POST CMT JOB. TRANSFER MUD TO FRAC TANKS AND CLEANOUT PITS. MU 4-1/4" SQUARE KELLY ASSEMBLY. ND BOPE & SET 7" SLIPS W/ 97K WOS. CUT OFF EXCESS 7" CASING AND NU 11" X 3M CASING HEAD. NU BOPE. CHANGE OUT 7" T/3-1/2" PIPE RAMS. PT BOPE/7" CASING/CHOKE MANIFOLD T/250 PSIG -5 MIN & 2000 PSIG-10 MIN (OK).

6/17/2010 RU JET WEST & RIH W/ TEMPERATURE LOG & RECORD TEMPERATURE ANAMOLIES STARTING AT 350' & FLAT LINED DOWN BELOW 470'KB-RD LOGGERS. RU AUXILIARY EQUIPMENT FOR AIR DRILLING OPERATIONS (BLOOE LINE, AIR MANIFOLD, SLIP AND TALLY 4-3/4" DRILL COLLARS AND 3-1/2" DRILL PIPE- TRANSFER AND STORE MUD FROM DRILLING OPERATIONS IN FRAC TANKS. CLEAN RIG PIT. RU BLUE JET LOGGERS AND RUN PULSED NEUTRON F/ 3638'KB T/ 2300' AND RUN GR-CCL-CBL ~23 HRS AFTER CEMENTING 7" INTERMEDIATE CASING F/ 1100'KB TO GROUND LEVEL- TOP OF CEMENT AT 350'KB JUST BELOW 9-5/8" CASING SHOE-NOTIFY & MEET W/ CHARLIE PERRIN, STEVE HAYDEN, & KELLY ROBERTS W/ NMOC D AND OBTAINED APPROVAL FOR 7" CEMENT BOND (OK). MIRU WEATHERFORD AIR EQUIPMENT. SAFETY MEETING. PT AIR LINES TO 1500 PSIG. MU 6-1/4" HAMMER BIT W/ 6" DIAMOND AIR HAMMER AND SURFACE TEST HAMMER (OK)-TIH W/ HAMMER ASSEMBLY & 10 X 4-3/4" DRILL COLLARS W/ 3-1/2" DRILL PIPE 1800'. UNLOAD WELLBORE W/ AIR.