

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

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. 30-045-34770
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		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.
3. Address of Operator 1499 Blake Street 10C, Denver, CO 80202		7. Lease Name or Unit Agreement Name Monarch Crest 24
4. Well Location Unit Letter <u>C</u> : <u>864</u> feet from the <u>North</u> line and <u>1338</u> feet from the <u>West</u> line Section <u>24</u> Township <u>30N</u> Range <u>12W</u> NMPM San Juan County		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5517' GL		9. OGRID Number 20208
		10. Pool name or Wildcat /Basin Dakota

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: Completion ☒

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.

TOC @ 2850'

Tested 4-1/2" casing to 4500 psi for 30 min - OK

See attached for details

RCVD SEP 8 '10

OIL CONS. DIV.

DIST. 3

Spud Date:

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 9/2/2010

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

For State Use Only

Deputy Oil & Gas Inspector,
District #3

APPROVED BY: Felix G. Foa TITLE Deputy Oil & Gas Inspector, District #3 DATE OCT 04 2010

Conditions of Approval (if any):

✓

Monarch Crest 24-1

9/2/2010

7/12/2010 MIRU AWS COMPLETION RIG #560. NU BOPE. PT CASING/BLIND RAMS PRIOR TO CEMENT BOND LOG T/ 500 PSIG (OK). TH W/3-7/8" BIT, BIT SUB, W/ 6 X 3-1/8" DC'S W/ X-O SUB (179.02'). TALLY & RABBIT 50 JTS 2-3/8" TBG (1615') TO 1801'KB.

7/13/2010 TIH & TAG UP @ 6450'KB, RU POWER SWIVEL & DRILLED CMT F/6450/ TO 6490'KB. FLOAT SHOE @ 6495'KB. CIRCULATE HOLE CLEAN W/ 120 BBLS 2% KCL WATER.

7/14/2010 TOOH AND LAYDOWN TBG & DC's F/390 'KB. ND BOPE & NU MASTER VALVE ASSEMBLY. RIG DOWN AND RELEASE RIG @ 09:00-7-14-2010

7/16/2010 RU BLUE JET LOGGERS-RUN SCIENTIFIC GYRO BOTTOM HOLE LOCATION AFTER SURVEY. RUN 3.75" GAUGE RING TO 6487'KB. RUN & SET 10K CIBP @ 6483+'KB/PBTD~32' BELOW FLOAT COLLAR. RUN GR-CCL-CBL F/6483 TO 3550'KB W/O PRESSURE GOOD 95% BOND F/6483-T/6000', GOOD 80% BOND THRU MESA VERDE SECTION. TOC @ 2850'KB. RUN GSL/NEUTRON LOG F/6483-T/6140; & F/ 4610-T/3500'KB(TIE INTO 7" GSL). RD LOGGERS.

7/22/2010 RIG UP & PERFORM CASING INTEGRITY TEST PRIOR TO PERF/FAC UP T/ 4500 PSIG-30MIN (TEST OK).

8/20/2010 RU & PT FAC VALVE & FLOWBACK LINES T/ 5000 PSIG (OK). MOVE AND FILL 6-FAC TANKS W/ BJ BIOCID/2% KCL FRESH WATER. RU BLUE JET WIRELINE & BJ SERVICES-PERFORATE LOWER DAKOTA PERFS: 6436-6440' & 6404-6408'KB TOTAL 10' W/ 3SPF = 30 (0.45") DIA HOLES 120 DEGREE PHASED UNDER 1200 PSIG(200 PSIG PRESSURE DROP). PT FAC LINES T/ 5000 PSIG (OK). EST INJ RATE T/5 BPM & BREAKDOWN PERFS @ 2848 PSIG. FAC LOWER DAKOTA W/ 500 GAL 7-1/2% HCL ACID SPEARHEAD-FOLLOWED BY 21,155 GALS 20# X-LINK GEL W/ 27,083 # 20/40 AZ SAND STAGES 1/2#UP T/ 3+PPG-STARTED TO SCREENOUT. MAX PRESSURE-4202 PSIG & ATP-3572 PSIG @ 26.7 BPM-SHUT DOWN & OBTAIN 4107 ISIP; 5MIN 2639#,10MIN-2125#, 15MIN-2000 PSIG-TOTAL LOAD TO RECOVER 642 BBLS. RU WIRELINE & GIH & SET 4-1/2" COMPOSITE BP @ 6390'KB. LOAD & PT BP T/ 4500 PSIG (OK). PERFORATE UPPER DAKOTA & GRANEROS INTERVALS: Kdk 6366-6372, 6356-6360', 6343-6346', 6315-6316', 6308-6309', 6292-6294' TOTAL 23' @ 3SPF= 69 X (0.45") DIA 120 DEGREE PHASED HOLES W/1500 PSIG (200-300 PSIG PRESSURE DROP). BREAKDOWN UPPER DK AND GRANEROS PERFS @ 1058 PSIG; FAC'D W/ 500 GAL 7-1/2% HCL ACID SPEARHEAD FOLLOWED BY 48,955 GALS 20# X-LINK GEL W/ 100,457#'S 20/40 AZ SAND IN STAGES F/1/2 PPG-4+PPG. MAX PRESSURE @ 3201PSIG; ATP @ 2469 PSIG W/ ATR OF 35.3 BPM-SHUT DOWN ISIP-1626 PSIG, 5MIN-1451 PSIG,10MIN-1400 PSIG, AND 15 MIN-1320 PSIG-TOTAL LOAD TO REC 2ND STAGE-1269 BBLS-RD FAC CREW. RU & FLOWBACK AFTER FAC 2HR SICP 740 PSIG-FLOWED BACK WELL ON 1/4" CHOKE F/ 740 DOWN T/ 200 BACK UP T/260 PSIG -RECOVERED 305 BBLS BROKEN GEL WATER AND VERY LITTLE FAC SAND AND NOTICED NATURAL GAS.

8/21/2010 FLOWED BACK WELL ON 1/4" CHOKE F/ 260 UP T/ 575 PSIG.

8/22/2010 FLOWED BACK WELL ON 1/2" CHOKE F/ 20 PSIG. LOADING UP AND LOGGING OFF - SIW @15:00; 8-22-2010.

8/26/2010 MIRU AWS RIG #560. SICP 1900 PSIG. BLOW WELL DOWN TO FLOWBACK TANK. NU BOPE. PRESSURE TEST AND CHART BOP TEST (BLIND RAMS & 2-3/8" PIPE RAMS T/ 250 PSIG -5 MIN & 2300 PSIG -15 MIN)(TEST OK). KILL WELL W/ 80 BBLS 2% KCL WATER. MU 3-7/8" PUMP OFF MILL W/ 1.78" ID W/ "F" NIPPLE PROFILE. TALLY & RABBIT IN HOLE 2-3/8" TBG T/ 5430'KB..

8/27/2010 SICP -0- PSIG. MIRU WEATHERFORD AIR UNIT. PT AIR LINES T/ 1500 PSIG (OK). BREAK CIRCULATION @ 6330'KB BY STAGING 1000 SCFM AIR W/ 12 BBL/HR MIST AND PERIODIC 3-5 BBL 2% KCL WATER SWEEPS. TIH & TAG TOP DAKOTA PERF @ 6343'KB. DO COMPOSITE BP @ 6390'KB (LOWER DAKOTA SECTION BELOW BP WAS PRESSURED UP). CLEANOUT T/ 6433'KB. RETURNS: FAC SAND & BROKEN GEL WATER- ESTIMATED RECOVERED DURING AFTERNOON FROM LOWER AND UPPER DAKOTA INTERVALS @ 120 BBLS.

8/28/2010 SICP -1500- PSIG. TIH W/ 3-7/8" MILLING ASSEMBLY F/6000' T/ 6430'KB. BREAK CIRCULATION @ 6430'KB BY STAGING 1000 SCFM AIR W/ 12 BBL/HR MIST @ 1000 PSIG W/

PERIODIC 3-5 BBL 2% KCL WATER SWEEPS CLEANOUT F/ 6430-T/6483'KB/PBTD. PULL UP T/6125'KB.

8/30/2010 SICP -1900- PSIG. TIH W/ 3-7/8" MILLING ASSEMBLY F/6125' T/ 6475'KB; 8' OF FILL-BREAK CIRCULATION @ 6430'KB BY STAGING 1000 SCFM AIR W/ 12 BBL/HR MIST @ 1000 PSIG W/ PERIODIC 3-5 BBL 2% KCL WATER SWEEPS CLEANOUT F/ 6475-T/6483'KB/PBTD. PULL UP & LAND 198 JTS 2-3/8" TBG (6396.84') W/ 3-7/8" X 1.78" ID W/ MODEL "F" PROFILE NIPPLE @ 6410.5'KB W/ 2-3/8" X 7-1/16" TBG HGR W/ BPV. ND BOPE & NU MASTER VALVE-PULL BPV PT MASTER VALVE TO 2000 PSIG (OK). PUMP 5 BBL 2% KCL WATER AHEAD; DROP BALL AND FOLLOW W/ WATER & AIR/MIST AND PRESSURED UP T/ 2500 PSIG- BLEED OFF AIR OUT OF TBG AND ATTEMPTED TO PRESSURE UP T/ 3200 PSIG W/ 2% KCL WATER (DID NOT PUMP OFF).

8/31/2010 SICP -1600- PSIG. RU B& R SLICKLINE LUBRICATOR. GIH W/ 1-1/2" BLIND BOX W/ SPANNER JARS. TAG TOP OF PUMP OUT MILL @ 6395'GL/6410'KB. BEAT DOWN ON BALL AND SEAT AND ENDED UP GETTING HUNG UP. DROP BAR & CUT SLICKLINE & PULL OUT OF HOLE W/ SLICKLINE. BLEED WELL DOWN TO FLOWBACK TANK. ND WELLHEAD & NU BOPE. TOOH W/ 2-3/8" TBG. MAKE UP 2-3/8" EXPENDABLE CHECK W/ 2-3/8" X 6.10'PUP JOINT, W/2-3/8" X 1.78" ID "F" NIPPLE THBA -7.87'. TIH W/ 70 STANDS 2-3/8" TBG W/ BHA T/ 4540'KB.

9/01/2010 FIN TIH W/ 2-3/8" EXPENDABLE CHECK W/ 2-3/8" X 6.10'PUP JOINT, W/2-3/8" X 1.78" ID "F" NIPPLE THBA -7.87' - W/ 2-3/8" TBG & TAG @ 6483'KB/CIBP/PBTD (NO FILL). PULL UP AND LAND 198 JTS 2-3/8" TBG (6396') W/ 2-3/8" X 7-1/16" TBG HGR W/ EXPENDABLE CHECK @ 6416'KB, 2-3/8" X 1.78" MODEL "F" NIPPLE @ 6408'KB. ND BOPE. PULL BPV AND INSTALL 2-3/8" SEAL SLEEVE & NU 2-1/16 X 3M B-1 ADAPTER W/ COMBINATION STUDS AND RING GASKET. PT LINES T/ MASTER VALVE T/ 2000 PSIG (OK). PUMP OFF EXPENDABLE CHECK @ 1450 PSIG; W/ 5 BBL WATER SLUG FOLLOWED BY AIR MIST. BLOW AROUND TO FLOWBACK TANK. VENT CASING AND TBG TO ATMOSPHERE TO PURGE AIR OUT OF SYSTEM. RIG DOWN & RELEASE RIG @ 14:00; 9-1-2010.

$2\frac{5}{8}"$ TBG = 4.7# J-55 @ 6416'