

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. 30-045-34515
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 Lee
4. Well Location Unit Letter <u>A</u> <u>840</u> feet from the <u>North</u> line and <u>930</u> feet from the <u>East</u> line Section <u>30</u> Township <u>30N</u> Range <u>11E W</u> NMPM County <u>San Juan</u>		8. Well Number <u>1F</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5689' GR		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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: Drilling Permit Extension ☐

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.

See Attached for Details.

Previous sundries incorrectly reported surface location as 820" FNL, 915' FEL

RCVD SEP 23 '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 9/21/2010

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: Felipe Rios TITLE Deputy Oil & Gas Inspector, District #3 DATE OCT 06 2010

Conditions of Approval (if any):

7/14/2010 PT SECONDARY SEAL T/ 1500 PSIG (OK). MIRU AWS COMPLETION RIG #560. NU BOPE. PT CASING/BLIND RAMS PRIOR TO CEMENT BOND LOG T/ 500 PSIG (OK). CALIPER / TALLY/ AND TIH W/3-7/8" BIT, BIT SUB, W/ 6 X 3-1/8" DC'S W/ X-O SUB (179.02'). TALLY & RABBIT 120 JTS 2-3/8" TBG (3870') T/ 4056'KB. SDON.

7/15/2010 TIH W/3-7/8" BIT, BIT SUB, W/ 6 X 3-1/8" DC'S W/ X-O SUB (179.02'). TALLY & RABBIT 2-3/8" TBG F/ 4056'KB T/ 6440'KB TOC. RU POWER SWIVEL & DRILLOUT CMT STRINGERS, TOP RUBBER PLUG DOWN T/6609'KB/PBTD. CIRCULATE HOLE CLEAN W/ 120 BBLS 2% KCL WATER. RD SWIVEL. TOOH & LAYDOWN TBG. RIG DOWN-CLEANOUT RIG PIT. SDON.

7/16/2010 SICP-0- PSIG;WAIT ON & RU BLUE JET LOGGERS. FLUID LEVEL @ 700'KB. MU SCIENTIFIC GYRO TOOL & RUN INCLINATION SURVEY.

7/19/2010 RU BLUE JET LOGGERS. FLUID LEVEL @ 700'KB-RUN GAUGE RING T/ 6605'KB LOGGER CORRECTED. RUN AND SET 4-1/2" CIBP 6' ABOVE SHOE @ 6599'KB. RUN GR-CCL-CBL F/ 6599-T/ 3700'KB W/O ANY PRESSURE. (GOOD 90% BOND THRU DAKOTA AND 80-95% BOND THRU MESA VERDE SECTIONS). RUN GR-GSL (NEUTRON LOG) F/ 6599-T/6140'; & F/ 4610-T/3750'KB. TOC @ 1800'KB. RD LOGGERS.

7/22/2010 NOTIFY NMOC D KELLY ROBERTS OF PENDING 4-1/2" CASING 24 HR PT @ 10:00; 7-21-2010. RIG UP & PERFORM CASING INTEGRITY TEST PRIOR TO PERF/FAC UP T/ 4500 PSIG-30MIN (TEST OK).

8/31/2010 RU & PT FAC VALVE & FLOWBACK LINES T/ 4500 PSIG (OK). MOVE AND FILL 8-FAC TANKS W/ BJ BIOCID/2% KCL FRESH WATER. PRE-JOB SAFETY MEETING. RU BLUE JET WIRELINE & BJ SERVICES. PERFORATE LOWER DAKOTA PERFS: 6573-6576', 6557-6559', 6539-6540' & 6527-6529'KB TOTAL 12' W/ 3SPF = 36 (0.45") DIA HOLES 120 DEGREE PHASED UNDER 1500 PSIG(400 PSIG PRESSURE DROP). PT FAC LINES T/ 5000 PSIG (OK). EST INJ RATE T/5-24 BPM & BREAKDOWN PERFS @ 3736 PSIG. FAC LOWER DAKOTA W/ 500 GAL 7-1/2% HCL ACID SPEARHEAD FOLLOWED BY 32,264 GALS 20# X-LINK GEL W/ 34,511 # 20/40 AZ SAND STAGES 1/2#UP T/ 2-1/2+PPG-STARTED TO INCREASE IN BOTTOM HOLE PRESSURE DURING THE 2-1/2 PPG. FLUSH TO TOP PERF. LOWER DK TREATED TIGHT W/ MAX PRESSURE-4168 PSIG & ATP-3819 PSIG @ 29.4 BPM. SHUT DOWN & OBTAIN 3226 ISIP; 5MIN 2900#, 10MIN-2600#, 15MIN-2300 PSIG, 30 MIN-1900 PSIG-TOTAL RU WIRELINE & GIH & SET 4-1/2" COMPOSITE BP @ 6520'KB. LOAD & PT BP T/ 4500 PSIG (OK). GIH TO PERFORATE UPPER DAKOTA INTERVALS & TAGGED UP @ 6496'KB (BOTTOM 2- SETS OF OF PROPOSED PERFORATED INTERVALS WERE COVERED W/ SAND). RD WIRELINE & BJ SERVICE. ND FAC HEAD AND NU 5M B-1 ADAPTER W/ 2-1/16" MASTER VALVE FOR COIL TBG. SDON.

9/0/2010 ND FAC TREE ASSEMBLY & NU 2-1/16" MASTER VALVE ASSEMBLY. MIRU MAVERICK COIL TBG SERVICE. PT FLUID AND NITROGEN LINES T/ 3000 PSIG (OK). GIH & CLEANOUT 25' OF SAND FILL F/ 6495-T/6520'KB/ W/ NITROGEN MIST. LOAD 4-1/2" CASING W/ 2% KCL WATER. ND B-1 ADAPTER AND NU FAC TREE ASSEMBLY. SDON.

9/2/2010 SICP -0- PSIG. PRE-JOB SAFETY MEETING. RU BLUE JET WIRELINE & BJ SERVICES.PERFORATE UPPER DAKOTA INTERVALS: 6508-6510', 6502-6505', 6494-6498' & 6480-6486'KB TOTAL 19' W/ 3SPF = 57 (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/5-34 BPM & BREAKDOWN UPPER DAKOTA PERFS @ 2268 PSIG. ESTABLISH AN INJECTION RATE @ 34.4 BPM @ 3424 PSIG. FAC UPPER DAKOTA W/ 500 GAL 7-1/2% HCL ACID SPEARHEAD FOLLOWED BY 36,288 GALS 20# X-LINK GEL W/ 45,640 # 20/40 AZ SAND STAGES 1/2#UP T/ 2-1/2 DOWN T/ 2+PPG-STARTED TO INCREASE IN BOTTOM HOLE PRESSURE DURING THE 2-1/2 PPG. FLUSH TO TOP PERF. UPPER DK TREATED W/ MAX PRESSURE-3639 PSIG & ATP-3043 PSIG @ 37.1 BPM-SHUT DOWN & OBTAIN 2360 ISIP; 5MIN 1613#, 10MIN-1340#, 15MIN-1223 PSIG-TOTAL LOAD TO RECOVER 969 BBLS. RU WIRELINE & GIH & SET 4-1/2" COMPOSITE BP @ 6472'KB. GIH & PERFORATE GRANEROS INTERVALS: 6453-6456', 6448-6451', 6431-6436', & 6422-6426'KB TOTAL 19' W/ 3 SPF = 57 (0.45") DIA HOLES 120 DEGREE PHASED UNDER 1100 PSIG W/ (200 PSIG PRESSURE DROP AFTER PERFORATING).

PT FRAC LINES T/ 5000 PSIG (OK). EST INJ RATE T/5-36 BPM & BREAKDOWN GRANEROS PERFS @ 1092 PSIG. ESTABLISH INJECTION RATE @ 36 BPM @ 3208 PSIG. FRAC GRANEROS W/ 500 GAL 7-1/2% HCL ACID SPEARHEAD FOLLOWED BY 42,126 GALS 20# X-LINK GEL W/ 65,629 # 20/40 AZ SAND STAGES 1/2#UP T/ 3-1/2 PPG -FLUSH TO TOP PERF. GRANEROS TREATED W/ MAX PRESSURE-3180 PSIG & ATP-2602 PSIG @ 36 BPM-SHUT DOWN & OBTAIN 1713 ISIP; 5MIN 1479#,10MIN-1250#, 15MIN-1165 PSIG. RD WIRELINE & FRAC CREW. RU TO FLOWBACK. 3- HR SICP 200 PSIG. OPEN WELL UP ON 1/4" POSITIVE CHOKE AND FLOWED INTERMITTENTLY FOR 1-1/2 HRS- RECOVERED ~ 40 BBLs OF BROKEN GEL WATER- SIW.

9/3/2010 FLOWED ON 1/4" POSITIVE CHOKE INTERMITTENTLY FOR 1-1/2 HRS. RECOVERED ~ 30 BBLs OF BROKEN GEL WATER. TOTAL RECOVERED TODAY 30 BBLs; TOTAL TODATE 70 BBLs. 1034 BBLs LEFT TO RECOVER SIW.

9/10/2010 NOTIFY NMOC D OF PENDING BOP TEST 9-09-2010; LEFT MESSAGE W/ KELLY ROBERTS. ND FRAC TREE, FLOWBACK LINES & NU 2-1/16' MASTER VALVE. MIRU AWS RIG #560. SICP 200 PSIG. RU FLOW BACK LINES AND BLEED WELL DOWN TO FLOWBACK TANK. ND MASTER VALVE & NU BOPE. PT BOPE T/ 1000 PSIG & TBG HGR WAS LEAKING BY; NO SURFACE LEAKS (TEST OK). PULL AND LAYDOWN TBG HANGER W/ BPV. SDON.

9/13/2010 MU 3-3/4" X 1.66' PUMP-OFF MILL W/ 1.78" ID MODEL "F" PROFILE. TALLY AND RABBIT IN HOLE W/ 6 JTS 2-3/8" TBG. NOTICED GAS BLOWING OUT TBG; TOO H. DISCOVERED MILL BOTTOM SHEARED OFF "F" NIPPLE SUB. MU 3-3/4" CONCAVE BOTTOM MILL W/ 2-3/8" REG X 2-3/8" EUE 8RD X-O SUB, W/ 2-3/8" STRING FLOAT. TALLY & RABBIT 2-3/8" TBG IN HOLE T/ 4460'KB. UNABLE TO UNLOAD WELLBORE (TBG PLUGGED) TOO H W/ MILL AND FOUND A CUP OF RUST /DEBRIS ABOVE STRING FLOAT. TIH W/ MILL ASSEMBLY T/ 4460'KB. PURGE TBG (OK). SDON.

9/14/2010 SICP -0- PSIG. BREAK CIRCULATION W/ AIR MIST @ 4460'KB. TIH & TAG @ 6421'. CLEANOUT SAND F/6421-T/6468'KB. MILLING DEBRIS W/ 1300 CFM AIR & 14 BBL/HR MIST F/ 6468-T/6472' CBP. RETURNS: NATURAL GAS, HEAVY DOWN TO LITE AMOUNT OF SAND, AND BROKEN GEL WATER. PULL UP EOT T/5760'KB. SDON.

9/15/2010 SICP -600- PSIG. BLEED WELL DOWN TO FLOWBACK TANK. KILL WELL W/ 40 BBLs 2% KCL WATER. TOO H & INSPECT CONCAVE BOTTOM MILL. MU 3-7/8" BOX TAP AND TIH T/ 4460'KB. BREAK CIRCULATION W/ AIR MIST @ 4460'KB. TIH & TAG @ 6460 ~ 12' OF SAND FILL ABOVE #1 CBP. CLEANOUT HEAVY DOWN TO LITE AMOUNT OF SAND F/6421 T/6472'KB/TOP OF PUMP-OFF MILL HOUSING. ROTATE AND TORQUE UP ON FISH(PUMP-OFF MILL). TOO H W/ TBG (NO FISH IN BOX TAP). SDON.

9/16/2010 SICP -500- PSIG; BLEED WELL DOWN TO FLOWBACK TANK. KILL WELL W/ 40 BBLs 2% KCL WATER. TIH W/3-3/4" TRI-BLADED MILL T/ 4460'KB. BREAK CIRCULATION W/ AIR MIST @ 4460'KB. TIH & TAG @ 6466 ~ 6' OF SAND FILL ABOVE #1 CBP- CLEANOUT MEDIUM DOWN TO LITE AMOUNT OF SAND F/6466-T/6472'KB/TOP OF PUMP-OFF MILL HOUSING. ROTATE AND TORQUE UP ON FISH(PUMP-OFF MILL) DRILLOUT #1 CBP @ 6472'KB. CLEANOUT SAND F/6486-T/6520'KB #2 CBP. DRILLOUT #2 CBP @ 6520'KB AND CHASE DEBRIS T/ 6593'KB. RETURNS: NATURAL GAS, HEAVY DOWN T/ LITE AMOUNT OF SAND, GOOD PRESSURE RESPONSE BELOW BRIDGE PLUGS FROM UPPER AND DAKOTA INTERVALS. KILL TBG W/ 18 BBLs 2% KCL WATER. PULL EOT UP T/ 5930'KB. SDON.

9/19/2010 SICP -1000- PSIG; BLEED WELL DOWN TO FLOWBACK TANK. TIH W/3-3/4" TRI-BLADED MILL F/5930- T/ 6500'KB. BREAK CIRCULATION W/ AIR MIST @ 6500'KB. KILL WELL W/ 80 BBLs 2% KCL WATER. TOO H W/ & LAYDOWN MILL. MU 2-3/8" EXPENDABLE CHECK, PUP JOINT, AND 2-3/8" (2.2") X 1.78" ID W/ MODEL "F" PROFILE. TIH W/ PRODUCTION BHA T/ 5211'KB. SDON.

9/20/2010 SICP -850- PSIG; BLEED WELL DOWN TO FLOWBACK TANK. UNLOAD WELL W/ AIR MIST @ 5211'KB. TIH W/ PRODUCTION BHA F/ 5211' - T/6599'KB/PBTD NO FILL. BLOW WELL W/ AIR MIST RECOVERED 140 BBLs BROKEN GEL WATER AND LITE AMOUNT OF FRAC SAN. PULL UP & LAND 201 JTS 2-3/8" TBG (6516.98') W/ 2-3/8" X 7-1/16" TBG HANGER W/ BPV. EOT @ 6532'KB 1.78" MODEL "F" NIPPLE @ 6529'KB. ND BOPE & NU 3M X 5M B-1 ADAPTER W/ 2-1/16" MASTER VALVE W/ SEAL SLEEVE. PULL BPV. PUMP-OFF EXPENDABLE CHECK W/ AIR MIST & 5 BBL WATER SLUG. VENT WELL TO ATMOSPHERE WHILE RIGGING DOWN.. RIG DOWN & RELEASE RIG @ 18:00; 9-20-2010.

4.7# J-55 TBG PER D. COLLINS.