State of New Mexico
Energy, Minerals and Natural Resources Departmen

Form C-103

Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT I
P.O. Drawer DD, Artesia, NM 88210

DISTRICT I
1000 Rio Brazons Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, New Mexico 87505

WELL API NO.
30-045-21258

5. Indicate Type of Lease
STATE ☐   FEE ☒

6. State Oil & Gas Lease No.

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)

7. Lease Name or Unit Agreement Name

Lee

1. Type of Well:
   OIL WELL ☐   GAS WELL ☒   OTHER

2. Name of Operator
   San Juan Resources of Colorado

8. Well No.
   #1

3. Address of Operator
   c/o Walsh Engineering, 7415 East Main Street, Farmington, NM 87402

9. Pool name or Wildcat
   Blanco Mesa Verde / Basin Dakota

4. Well Location
   Unit Letter *H* : *1785'* Feet From The *North* Line and *1190'* Feet From The *East* Line
   Section *30* Township *30N* Range *11W* NMPM County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
    5701' GR 5713' RKB

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

11. **NOTICE OF INTENTION TO:**

PERFORM REMEDIAL WORK ☐	PLUG AND ABANDO ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐
PULL OR ALTER CASING ☐	
OTHER: *Downhole Commingle* ☒	

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐	ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐	PLUG & ABANDONMEN ☐
CASING TEST AND CEMENT JOB ☐	
OTHER: ☐	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work). SEE RULE 1103.

San Juan Resources of Colorado seeks administrative approval to down hole commingle the production from the Blanco Mesa Verde (72319) and Basin Dakota (71599) pools. Thes two pools were pre-approved in Division Order R-11363. The Dakota perforations are from 6429' - 6640'. The Mesa Verde perfs are from 4328' to 4612'. The Dakota zone has been producing since 1973 and is on a steady 5.3%/yr decline. The first 15 MCFD and 0.2BOPD will be allocated to the Dakota with production above that allocated to the Mesa Verde. The Dakota production will be adjusted annually by the 5.3% decline. Commingling will not reduce the value of the total remaining production. Owenership in the two formations is not common. All of the interest owners have been notified of this application by certified mail. A copy of the notification letter and a list of the interest owners is attached. Lot 2 (SW/NW) is a Federal Lease. The BLM has been notified of this application. See attached Sundry.

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

SIGNATURE _____ TITLE *Agent/Engineer* DATE *03/04/04*

TYPE OR PRINT NAME *Paul C. Thompson* TELEPHONE NO. *(505) 327-4892*

(This space for State Use)
APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

DEPUTY OIL & GAS INSPECTOR, DIST. #3
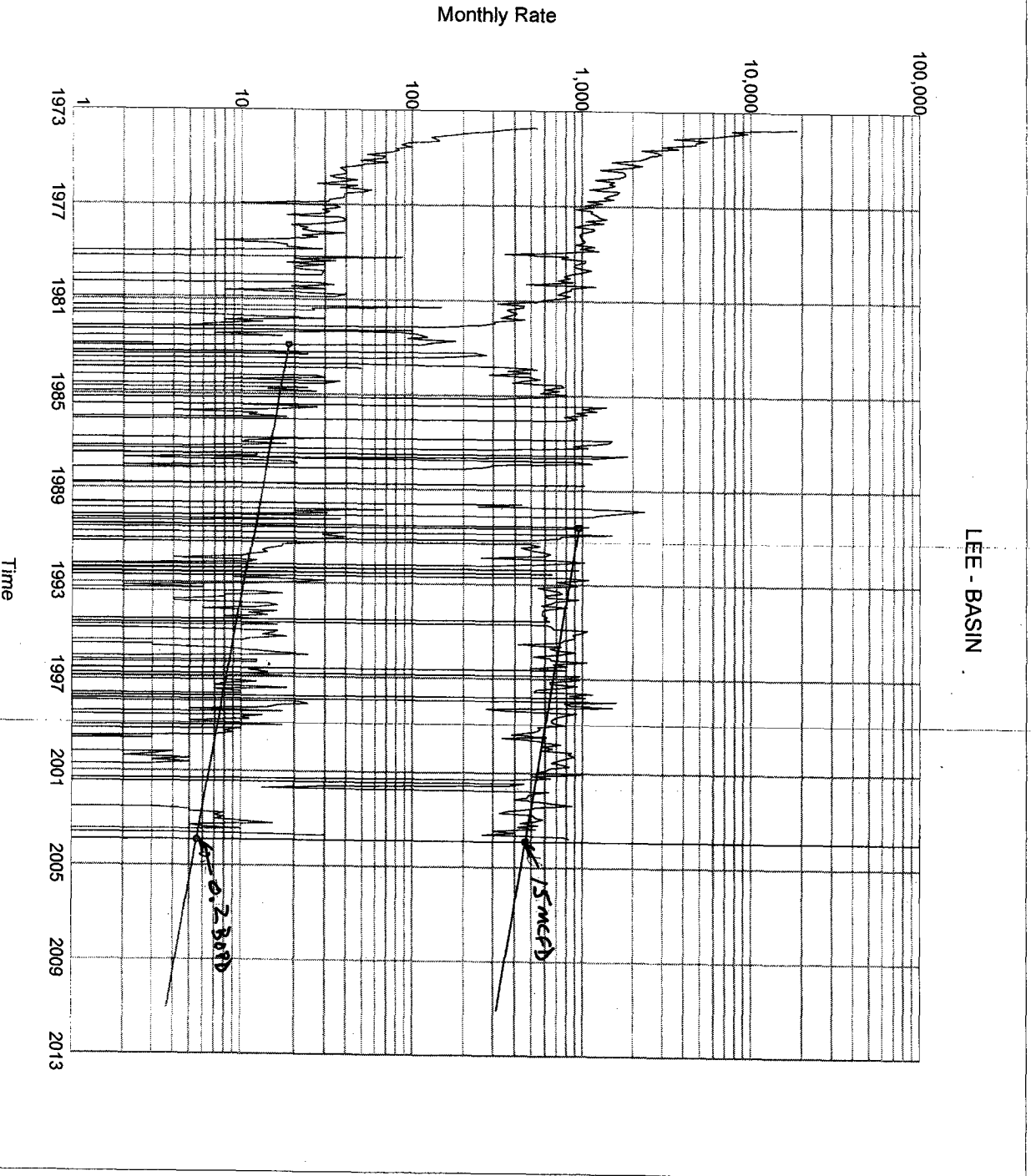TITLE _____ DATE MAR - 5 2004

Rate/Time Graph

Lease Name: LEE (1)
County, ST: SAN JUAN, NM
Location: 30H 30N 11W NW SE NE

Project: C:\Program Files\IHS Energy\PowerTools v6.0\Projects\Lee-DHC.MDB

Operator: SAN JUAN RESOURCES OF COLORADO INC
Field Name: BASIN

Date: 3/4/2004
Time: 7:40 AM

Monthly Rate

LEE - BASIN

Time

1973 1977 1981 1985 1989 1993 1997 2001 2005 2009 2013

100,000
10,000
1,000
100
10
1

q = e. 2.3BoPD

15mcfD

Oil Curve:
Segment 1: 12/1/1982 - 12/1/2003
Start Rate: 18 bbl
End Rate: 6 bbl
Decline: 0.000000
N Factor: 5.5837
Goodness of Fit: 1.000000
Fit Grade: 1

Gas Curve:
Segment 1: 8/1/1990 - 12/1/2003
Start Rate: 956 mcf
End Rate: 461 mcf
Decline: 5.3206
N Factor: 0.000000
Goodness of Fit: 1.000000
Fit Grade: 1

Water Curve:
Segment 1: 8/1/2002 - 11/1/2003
Start Rate: 10 bbl
End Rate: 4 bbl
Decline: 48.2448
N Factor: 0.000000
Goodness of Fit: 0.745211
Fit Grade: 4

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on reverse side

7. If Unit or CA/Agreement, Name and/or No.

CA Pending

1. Type of Well

    ☐ Oil Well   ☒ Gas Well   ☐ Other

2. Name of Operator

San Juan Resources of Colorado c/o Walsh Engineering

3a. Address	3b. Phone No. *(include area code)*
7415 E. Main, Farmington, NM, 87402	505-327-4892

.4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*

1785' FNL and 1190' FEL Section 30, T30N, R11W

8. Well Name and No.

Lee #1

9. API Well No.

30-045-21258

10. Field and Pool, or Exploratory Area

Basin Dakota/ Blanco Mesa Verde

11. County or Parish, State

San Juan County, NM

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12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	Downhole
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	Commingle

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days Following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

San Juan Resources of Colorado has applied to the NMOCD to downhole commingle the production from the Basin Dakota
and Blanco Mesa Verde pools. The North half of Section 30 is dedicated to both formations. Lot #2 (SW/NW) is a
Federal Lease. All pertinent data is attached.

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14. I hereby certify that the foregoing is true and correct

Name *(Printed/Typed)*	Title
Paul C. Thompson, P.E.	Agent

Signature	Date
Paul C. Thomps—	March 4, 2004