

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address SAN JUAN RESOURCES, INC. 1499 BLAKE ST, 10C DENVER, CO 80202		2. OGRID Number 20208
		3. API Number 30-045-34771
4. Property Code 35732	5. Property Name MEMGEM WALTERS 34	6. Well No. 001B

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	34	32N	13W	N	900	S	1980	W	SAN JUAN

8. Pool Information

BLANCO-MESAVERDE (PRORATED GAS)	72319
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 5860
14. Multiple N	15. Proposed Depth 5000	16. Formation Mesa Verde Group	17. Contractor	18. Spud Date 9/15/2008
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mils thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method:				
Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	320	250	0
Prod	7.875	4.5	11.6	3500	770	0
Prod	7.875	4.5	11.6	5000	515	3500

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/>.	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Lori Walters	Approved By: Charlie Perrin
Title: Manager	Title: District Supervisor
Email Address: accounting@sanjuanbasin.com	Approved Date: 8/28/2008 Expiration Date: 8/28/2010
Date: 8/19/2008 Phone: 303-573-6333	Conditions of Approval Attached

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102
 Permit 80568

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-34771	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 35732	5. Property Name MEMGEM WALTERS 34	6. Well No. 001B
7. OGRID No. 20208	8. Operator Name SAN JUAN RESOURCES, INC.	9. Elevation 5860

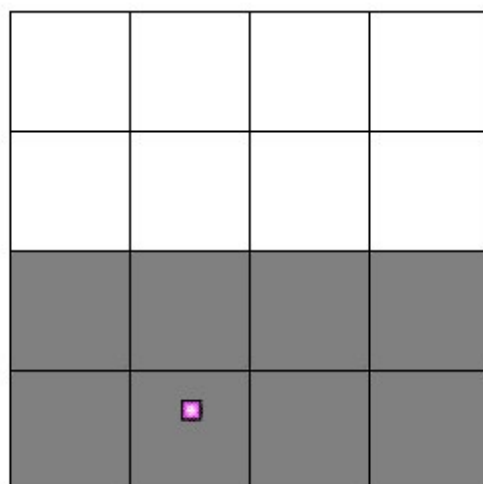
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	34	32N	13W		900	S	1980	W	SAN JUAN

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00	13. Joint or Infill	14. Consolidation Code Communitization	15. Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Lori Walters
 Title: Manager
 Date: 8/19/2008

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: Jason Edwards
 Date of Survey: 7/16/2008
 Certificate Number: 15269

Permit Comments

Operator: SAN JUAN RESOURCES, INC. , 20208

Well: MEMGEM WALTERS 34 #001B

API: 30-045-34771

Created By	Comment	Comment Date
LWALTERS	A C-144 will be submitted upon APD approval.	8/18/2008

Permit Conditions of Approval

Operator: SAN JUAN RESOURCES, INC. , 20208

Well: MEMGEM WALTERS 34 #001B

API: 30-045-34771

OCD Reviewer	Condition
SHAYDEN	A complete C-144 must be submitted to, and approved by, the NM OCD for: a pit, closed loop system, below grade tank, or proposed alternative method, pursuant to NMOCDC part 16.15.17, prior to the use or construction of the above applications.