

SAN JUAN RESOURCES, INC.

JERRY McHUGH, Jr.

RECEIVED

DEC 6 - 2005

OIL CONSERVATION
DIVISION

Certified Mail—Return Receipt
7004 0550 0001 0720 2906



November 30, 2005

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87504

RE: Request for Administrative Approval of Unorthodox Well Location
Jacquez 02 #4 Well
Blanco MV Pool
130' FN&WL, Unit "D"
Section 2 (W/2) T31N, R13W, NMPM, San Juan County, New Mexico

Dear Mr. Stogner:

San Juan Resources of Colorado, Inc. ("SJR"), operator of the majority of the Mesaverde leasehold rights in the S/2 of Section 34, T32N, R13W, San Juan County, NM, hereby files protest of Patina San Juan's above referenced application for unorthodox location.

Thank you very much.

Very Truly Yours,
SAN JUAN RESOURCES OF COLORADO, INC.

Jerry McHugh, Jr.
PRESIDENT

cc: Robert Hoelskin, Patina
Thomas Kellahin, Santa Fe

1499 Blake Street, #7K
Denver, CO 80202 U.S.A.

Tel: 303.573.6333
Fax: 303.573.6444
email: jmchugh@sanjuanbasin.com

MILLER STRATVERT

PROFESSIONAL ASSOCIATION

Ranne B. Miller
 Alice T. Lorenz
 Stephen M. Williams
 Stephan M. Vidmar
 Seth V. Bingham
 Timothy R. Briggs
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 Kelly A. Stone
 Deron B. Knoner
 Patricia A. Bradley
 T. Aaron Garrett
 Amy P. Hauser

Counsel

James B. Collins
 Terri S. Beach
 Robert D. Taichert
 Douglas A. Echols
 Ann M. Conway

Of Counsel

William K. Stratvert
 Sharon P. Gross

Reply to Santa Fe

150 Washington Ave., Suite 300
 Santa Fe, NM 87501

Mailing Address:
 P.O. Box 1986
 Santa Fe, NM 87504-1986

Telephone: (505) 989-9614
 Facsimile: (505) 989-9857

FACSIMILE TRANSMISSION COVER SHEET

DATE: December 7, 2005

TO: Michael Stogner

FAX NO.: (505) 476-3462

FROM: Scott Hall

OPERATOR: glb

MESSAGE: Please see attached.

NUMBER OF PAGES INCLUDING COVER SHEET: 3

IF YOU DO NOT RECEIVE THE ENTIRE DOCUMENT, PLEASE CALL OUR SANTA FE OFFICE AS SOON AS POSSIBLE AT (505) 989-9614.

THE INFORMATION CONTAINED IN THIS FACSIMILE MESSAGE IS CONFIDENTIAL AND INTENDED SOLELY FOR THE USE OF THE INDIVIDUAL OR ENTITY NAMED ABOVE. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, OR THE EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERING IT TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION, AND COPYING, OR UNAUTHORIZED USE OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS FACSIMILE IN ERROR, PLEASE NOTIFY THE SENDER IMMEDIATELY BY TELEPHONE (COLLECT), AND RETURN THE FACSIMILE TO THE SENDER AT THE ABOVE ADDRESS VIA THE U. S. POSTAL SERVICE. THANK YOU.

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 (505) 523-2481

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 (505) 989-9614

MILLER STRATVERT

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Facsimile: (505) 989-9857

Writer's Direct E-Mail:
 shall@mslaw.com

* New Mexico Board of Specialization Recognized Specialist in Natural Resources - Oil & Gas Law
 ** New Mexico Board of Specialization Recognized Specialist in Real Estate Law

December 7, 2005

VIA FACSIMILE

Mr. Michael Stogner
 New Mexico Oil Conservation Division
 1220 South St. Francis Drive
 Santa Fe, New Mexico 87504

Re: Request for Administrative Approval of Unorthodox Well Location
 Jacquez 02 No. 04 Well
 Blanco Mesaverde Pool
 130' FNL and 130' FWL, Unit D
 Section 2 (W/2) T-31-N, R-13-W, NMPM, San Juan County, New Mexico

Dear Mr. Stogner:

On November 22, 2005 we filed with you an Administrated Application for the unorthodox well location referenced above. Since that time, an objection to the proposed location was received from the offsetting operator to the north, Jerome McHugh, Jr. It is not known whether the objection was communicated to the Division.

As a result of the objection, the Applicant, Patina San Juan Inc., proposes to move the well to a new location that is satisfactory to the offsetting operator. Rather than set this Application for hearing, we request that further action on the matter be held in abeyance until we have had the opportunity to present you with an Amended Application for Administrative Approval. I hope to have the Amended Application and supporting materials to you later this week.

A PROFESSIONAL ASSOCIATION

ALBUQUERQUE
 (505) 842-1950

FARMINGTON
 (505) 326-4521

LAS CRUCES
 (505) 523-2481

SANTA FE
 (505) 989-9614

Mr. Michael Stogner
December 7, 2005
Page 2

Thank you for your consideration. Should more information be required, please do not hesitate to contact me.

Very truly yours,

MILLER STRATVERT P.A.

A handwritten signature in black ink, appearing to read "J. Scott Hall", written in a cursive style.

J. Scott Hall
Attorneys for Patina San Juan, Inc.

JSH/glb
cc: Robert Hoelsken

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shall@mstlaw.com

* New Mexico Board of Specialization Recognized Specialist in Natural Resources - Oil & Gas Law
** New Mexico Board of Specialization Recognized Specialist in Real Estate Law

December 9, 2005

HAND-DELIVERED

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

Re: Amended Request for Administrative Approval of Unorthodox Well Location
Jacquez 02 No. 04 Well
Blanco Mesaverde Pool
660' FNL and 130' FWL, Unit D
Section 2 (W/2) T-31-N, R-13-W, NMPM, San Juan County, New Mexico

Dear Mr. Stogner:

On behalf of Patina San Juan, Incorporated and pursuant to Division Rule 104.F and the applicable rules governing the Blanco-Mesaverde Pool, we request administrative approval for an unorthodox well location for the Patina San Juan Jacquez 02 No. 04 Well at the surface and bottom-hole locations reflected above. The original Request for Administrative Approval filed on November 22, 2005 sought approval of an unorthodox well location 130' FNL and FWL of Section 6. Due to an objection received from San Juan Resources, Inc., the operator of the Mesaverde unit located in the S/2 of Section 34, the well location was moved and additional 530 feet to the south. Except for the amended location, all other aspects of the original November 22, 2005 request for administrative approval continue to apply and are incorporated herein. Except for the amended location, all of the exhibits enclosed with the original request also continue to be applicable.

The straight-hole well will be drilled to a depth sufficient to test the Mesaverde formation, Blanco Mesaverde pool (72319; Order No. R-10987-A, as amended.). The pool rules for the pool currently provide that wells shall be drilled no closer than 660' to the outer boundary of the 320-acre

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ALBUQUERQUE
(505) 842-1950

FARMINGTON
(505) 326-4521

LAS CRUCES
(505) 523-2481

SANTA FE
(505) 989-9614

2005 DEC 9 PM 1:58

Mr. Michael Stogner
December 9, 2005
Page 2

GPU and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary. Patina San Juan does not plan to produce from any shallower formations from the proposed wellbore.

Patina San Juan seeks an exception from the applicable well location rules in order to accommodate the current use of the surface for irrigated farmland agricultural operations. Further, Patina's engineering staff has determined that directional drilling from the unorthodox surface location to a standard bottom-hole location cannot be economically justified.

The W/2 of Section 2, T-31-N, R-13-W will be dedicated to the well and is the third Mesaverde infill well within the GPU. A plat showing the W/2 spacing unit, the proposed unorthodox surface and bottom hole locations, and adjoining spacing units and wells was provided with the original request (Exhibit "A"). A list of affected parties in the adjoining S/2 of Sections 34 and W/2 of Section 35, T32N, R13W and in the E/2 of Section 3, T31N, R13W to whom notice and waiver requests are again being sent was attached as Exhibit "B" to the original request. New materials enclosed herewith include (1) C-102 reflecting the new location; (2) access road plat; (3) emergency response area plat showing lat./long. for the well; (4) a pad layout plan; and (5) copy of Energen Resources Corporation's November 30, 2005 consent to the original 130' offset.

Thank you for your consideration of this request. Should more information be required, please do not hesitate to contact me.

Very truly yours,

MILLER STRATVERT P.A.

A handwritten signature in black ink, appearing to read "J. Scott Hall", written in a cursive style.

J. Scott Hall
Attorneys for Patina San Juan, Inc.

JSH/glb
Enclosures

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 71599 - 72319	³ Pool Name BASIN DAKOTA - BLANCO MESA VERDE
⁴ Property Code	⁵ Property Name JACQUEZ 02	⁶ Well Number 04
⁷ OGRID No.	⁸ Operator Name PATINA OIL & GAS CORPORATION	⁹ Elevation 5714'

¹⁰ Surface Location

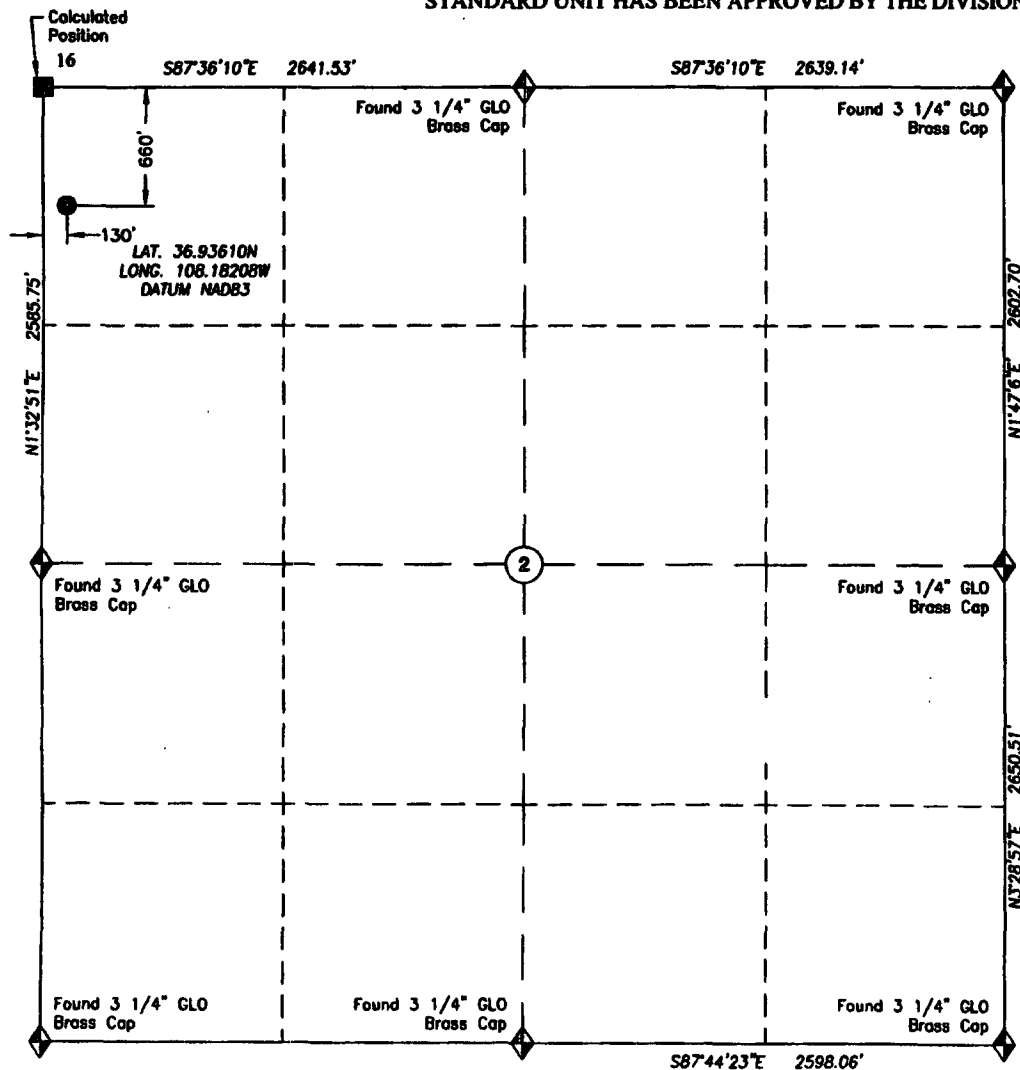
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	2	31N	13W		660	NORTH	130	WEST	SAN JUAN

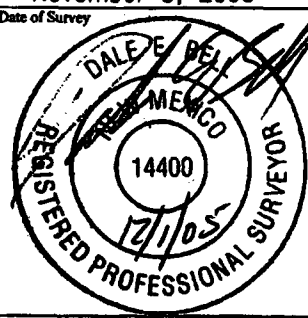
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or In fill	¹⁴ Consolidation Code	¹⁵ Order No.

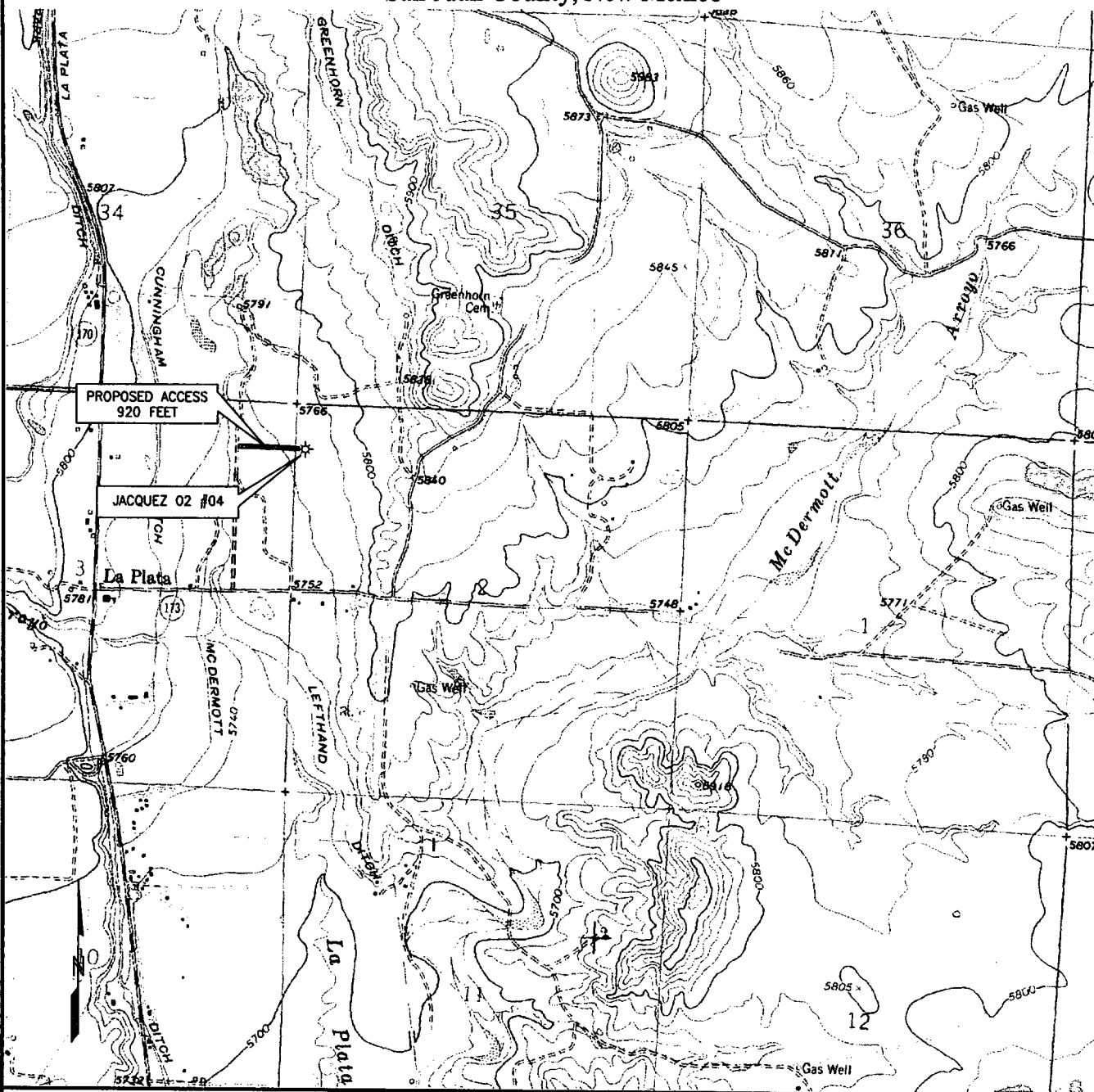
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature _____ Printed Name _____ Title and E-mail Address _____ Date _____
18 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. November 3, 2005 Date of Survey  Dale E. Bell New Mexico Reg. PS No. 14400 For and on behalf of Trigon Epc 150 Tech Center Drive., Suite E Durango CO 81301 (970) 385-9100

ACCESS ROAD PLAT

PATINA OIL & GAS CORPORATION
 Jacquez 02 #04
 660' F/NL 130' F/WL
 Latitude: 36.93610 N
 Longitude: 108.18208 W
 Sec. 2, T31N, R13W, N.M.P.M.
 San Juan County, New Mexico



Due 02, 2005 - 10:07am by computer - Path = E:\JACQZ\2014-02 Patina Marfeno 2005 P01 Jacquez 2-04 JACQUERZ020403.DWG

CLIENT PATINA OIL & GAS CORPORATION		DESCRIPTION JACQUEZ 02 #04 ACCESS ROAD PLAT	
SCALE: 1"=2000'	REVISION: 12/02/05	DRAWN BY: AEM	DATE DRAWN: 09/29/04
SURVEYED BY: TRIGON EPC 150 TECH CENTER DRIVE, SUITE E DURANGO, CO 81301 970-385-9100		PREPARED BY TRIGON EPC ENGINEERING • PROCUREMENT • CONSTRUCTION	
		FILE NAME: JACQUERZ020403	

EMERGENCY RESPONSE AREA

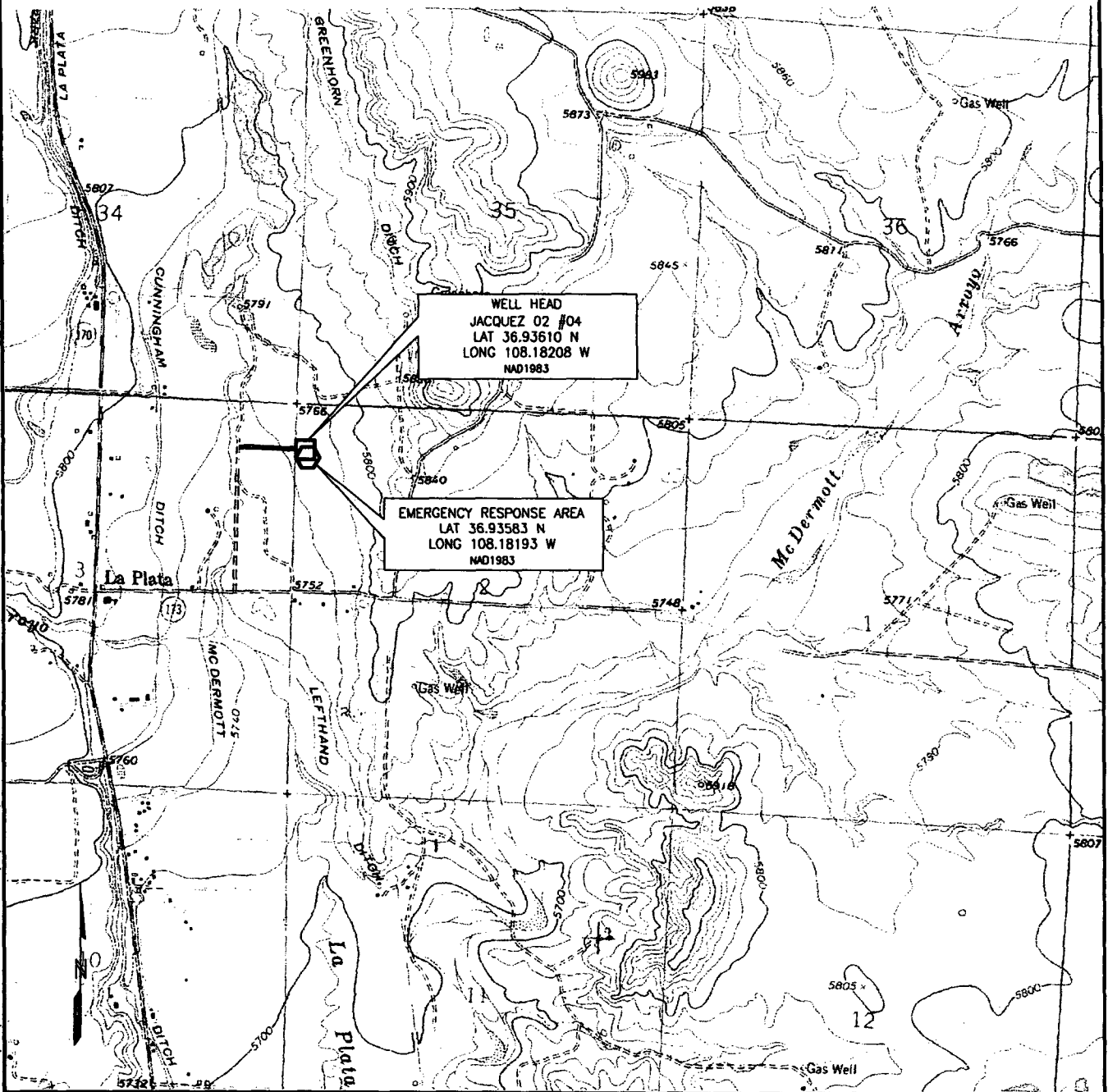
PATINA OIL & GAS CORPORATION

Jacquez 02 #04

660' F/NL 130' F/WL

Sec. 2, T31N, R13W, N.M.P.M.

San Juan County, New Mexico



CLIENT

PATINA OIL & GAS CORPORATION

DESCRIPTION

JACQUEZ 02 #04
EMERGENCY RESPONSE AREA

SCALE: 1"=2000'

REVISION: 12/02/05

DRAWN BY: AEM

DATE DRAWN: 09/29/04

FILE NAME: JACQUEZ020404

SURVEYED BY: TRIGON EPC
150 TECH CENTER DRIVE, SUITE E
DURANGO, CO 81301
970-385-9100

PREPARED BY

TRIGON EPC
ENGINEERING • PROCUREMENT • CONSTRUCTION

PAD LAYOUT PLAN & PROFILE

PATINA OIL & GAS CORPORATION

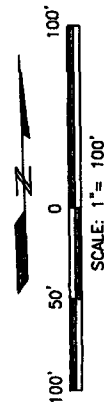
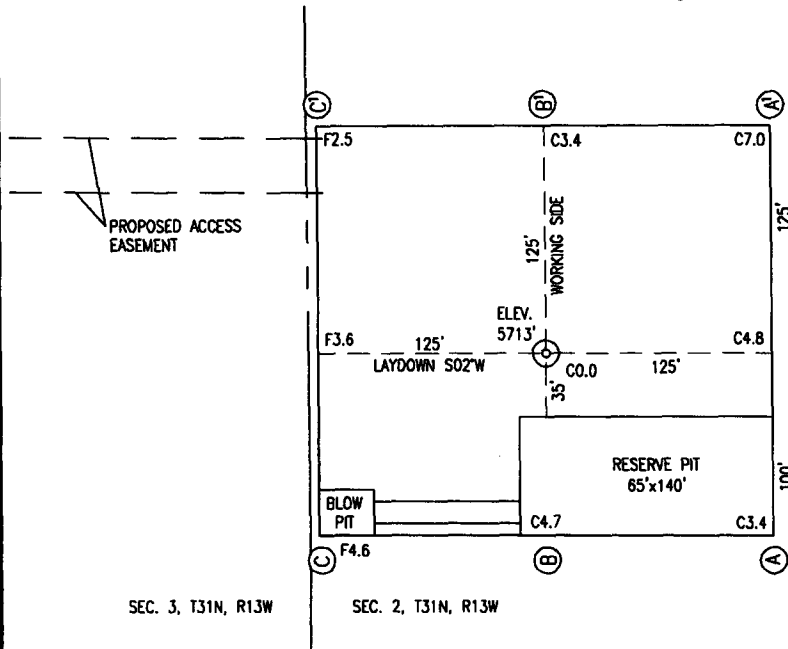
Jacquez 02 #04

660' F/NL 130' F/WL

Sec. 2, T31N, R13W, N.M.P.M.

San Juan County, New Mexico

LATITUDE: 36.93610° N
LONGITUDE: 108.18208° W
DATUM NAD1983

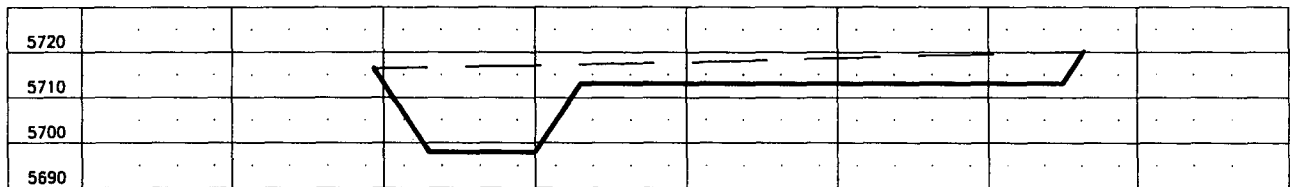


PLAT NOTE

SURFACE OWNER
WALTERS, PATRICK M.
& JOLEEN H.

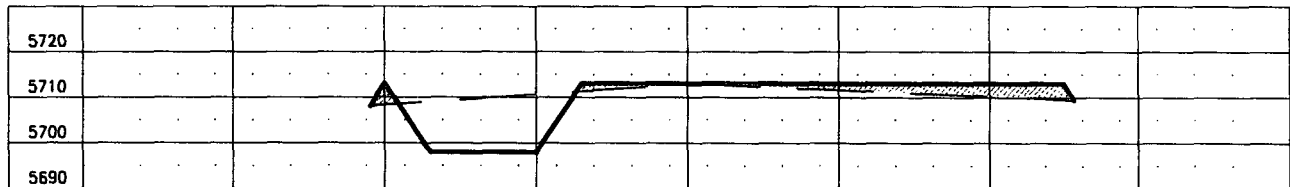
A-A'

CL



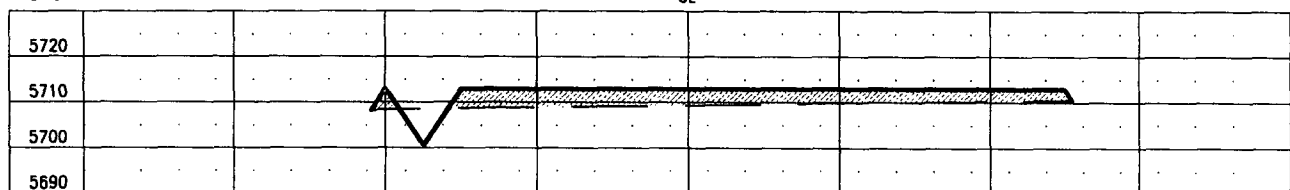
B-B'

CL



C-C'

CL



HORIZONTAL SCALE: 1" = 60'

VERTICAL SCALE: 1" = 40'

1. IT IS THE CONTRACTOR'S RESPONSIBILITY TO CALL ONE-CALL FOR LOCATION OF ALL BURIED FACILITIES ON WELL PAD AND/OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.
2. CUTS AND FILLS SHOWN ARE APPROXIMATE - FINAL FINISHED ELEVATION IS TO BE ADJUSTED SO EARTHWORK WILL BALANCE. CORNER STAKES ARE APPROXIMATE AND DO NOT INCLUDE ADDITIONAL AREAS NEEDED FOR SIDESLOPES AND DRAINAGES. FINAL PAD DIMENSIONS ARE TO BE VERIFIED BY THE CONTRACTOR.

DATE SURVEYED: 09/23/04

DRAWN BY: AEM

DATE DRAWN: 09/29/04

REVISION DATE: 12/02/05

FILE NAME: JACQUEZ020402

CLIENT

PATINA OIL & GAS CORPORATION

PREPARED BY

TRIGON **GEPC**
ENGINEERING • PROCUREMENT • CONSTRUCTION

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DEC 05 2005

MILLER STRATVERT, P.A.

November 30, 2005

MILLER STRATVERT
Law Offices
Attn: J. Scott Hall
P. O. Box 1986
Santa Fe, NM 87504-1986

Re: Request for Administrative Approval of Unorthodox Well Location
Jacquez 02 No. 04 Well
Blanco Mesaverde Pool
130' FNL and 130' FWL, Unit D
Section 2-T31N-R13W, San Juan County, New Mexico

Dear Mr. Hall:

Enclosed is Energen's consent to the application and the proposed unorthodox well location for the referenced well.

Please contact David Poage at the number listed if you have any questions.

Sincerely,

Gillian Armenta

Gillian Armenta
Land Assistant

MILLER STRATVERT

LAW OFFICES

Ranne B. Miller
Alice T. Lorenz
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Writer's Direct E-Mail:
shall@mstlaw.com

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** New Mexico Board of Specialization Recognized Specialist in Real Estate Law

November 22, 2005

CERTIFIED MAIL **RETURN RECEIPT REQUESTED**

Energen Resources
2198 Bloomfield Highway
Farmington, New Mexico 87401

Attn: Mr. David Poage

Re: Request for Administrative Approval of Unorthodox Well Location
Jacquez 02 No. 04 Well
Blanco Mesaverde Pool
130' FNL and 130' FWL, Unit D
Section 2 (W/2) T-31-N, R-13-W, NMPM, San Juan County, New Mexico

Dear Mr. Poage:

This firm represents Patina San Juan, Incorporated, (Patina San Juan). Pursuant to New Mexico Oil Conservation Division (NMOCD) Rule 1207 and 1210 A(2), you are hereby notified that Patina San Juan has made application to the NMOCD for administrative approval for an unorthodox well location for its Jacquez 02 No. 04 Well at the surface and bottom-hole locations reflected above for a straight-hole well to be drilled to a depth sufficient to test the Mesaverde formation, Blanco Mesaverde pool. A copy of the application is enclosed.

As the owner of an interest that may be affected, you have the right to object to the application. To do so, you must file a written protest with the NMOCD within twenty days. Failure to do so will prevent you from challenging the matter at a later time. A letter of protest may be sent

A PROFESSIONAL ASSOCIATION

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(505) 842-1950

FARMINGTON
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Energen Resources
November 22, 2005
Page 2

to the NMOCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505.

Should you consent to the application and the proposed unorthodox well location, you are requested to indicate your waiver of objection by signing where indicated below and then returning this letter to me at your earliest convenience.

Very truly yours,



J. Scott Hall
MILLER STRATVERT P.A.
Attorneys for Patina San Juan, Inc.

JSH/glb
Enclosure
cc: Mr. Robert A. Hoelsken

CONSENT:

Energen Resources

By:

