

## DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

## DISTRICT II

811 S. First St., Artesia, NM 88210-2835

## DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico  
Energy, Minerals and Natural Resources Department

## OIL CONSERVATION DIVISION

2040 S. Pacheco  
Santa Fe, New Mexico 875054-6429Form C-107-A  
New 3-12-96

## APPROVAL PROCESS:

☒ Administrative ☐ Hearing

## EXISTING WELLBORE

☒ YES ☐ NO

## APPLICATION FOR DOWNHOLE COMMINGLING

Taurus Exploration U.S.A., Inc.

2198 Bloomfield Highway, Farmington, New Mexico 87401

Operator

Address

Jicarilla 98

2

A

Sec. 19, T26N,

R3W

Rio Arriba County,

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

OGRID NO. 162928

Property Code 007167

API NO. 30-039-06389

Spacing Unit Lease Types: (check 1 or more)

Federal ☒ State ☐ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling.	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Tapacito PC 85920		Blanco MV 72319
2. Top and Bottom of Pay Section (Perforations)	3730 notched		5361-5967
3. Type of production (Oil or Gas)	gas		gas
4. Method of Production (Flowing or Artificial Lift)	flowing		flowing
5. Bottomhole Pressure	a. (Current) 485 calc.	a.	a. 665 calc.
Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	b. (Original) 976 calc.	b.	b. 1469 calc.
6. Oil Gravity ( <sup>o</sup> API) or Gas BTU Content)	1180 BTU		1191 BTU
7. Producing or Shut-In?	producing		shut in
Production Marginal? (yes or no)	no		yes
* If Shut-In, give date and oil/gas/water rates of last production	Date: Rates:	Date: Rates:	Date: 4/90 Rates: 0/68/0
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data			
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 4/3/98 Rates: 0/115/0	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0 % Gas: 63 %	Oil: % Gas: %	Oil: 100 % Gas: 37 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No  
If not, have all working, overriding, and royalty interests been notified by certified mail? ☒ Yes ☐ No  
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)14. If this well in on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No

15. NMOC Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). \_\_\_\_\_

## 16. ATTACHMENTS:

- \* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- \* Production curve for each zone for at least one year. (If not available, attach explanation.)
- \* For zones with no production history, estimated production rates and supporting data.
- \* Data to support allocation method or formula.
- \* Notification list of all offset operators.
- \* Notification list of working, overriding, and royalty interests for uncommon interest cases.
- \* Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Gary W. Brink TITLE Prod. Superintendent DATE 5/5/98TYPE OR PRINT NAME Gary W. Brink TELEPHONE NO. ( 505 ) 325-6800

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
811 S. 1st Street, Artesia, NM 88210-2834  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-102  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-06389	<sup>2</sup> Pool Code 85920/72319	<sup>3</sup> Pool Name Tapacito Pictured Cliffs/Blanco Mesa Verde
<sup>4</sup> Property Code 007167	<sup>5</sup> Property Name Jicarilla 98	<sup>6</sup> Well Number 2
<sup>7</sup> OGRID No. 162928	<sup>8</sup> Operator Name Taurus Exploration, U.S.A., Inc.	<sup>9</sup> Elevation 7019

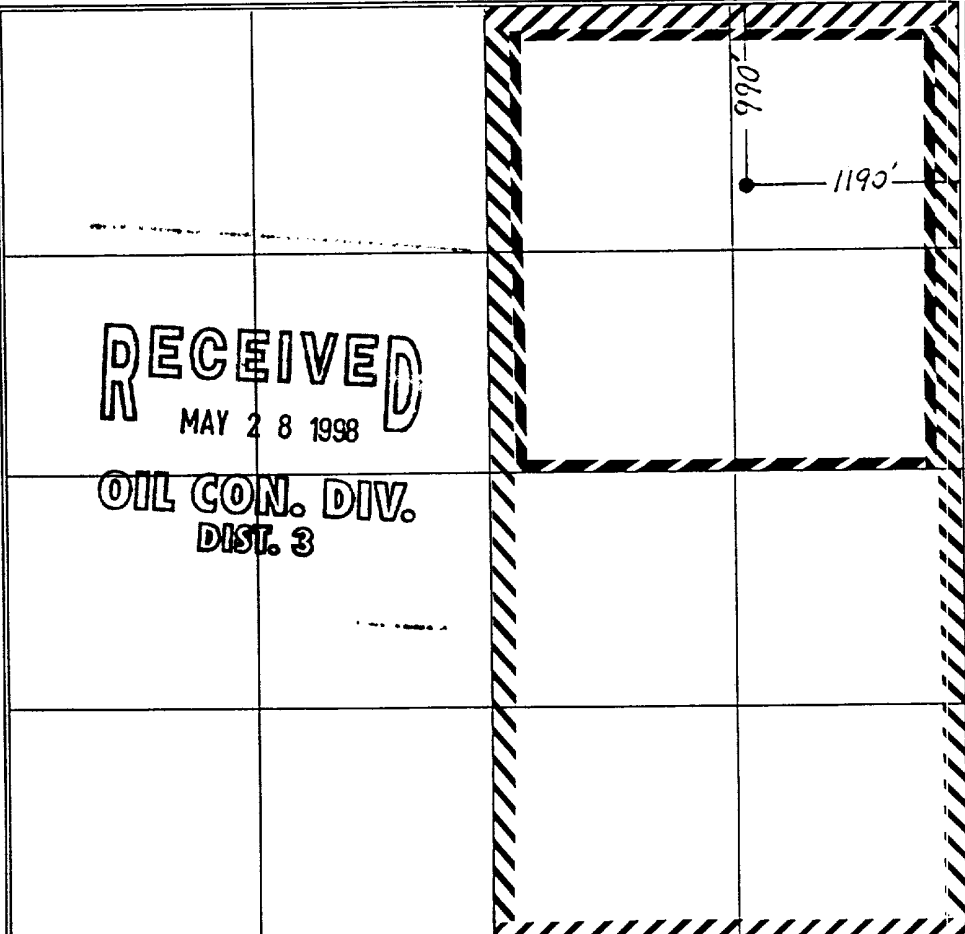
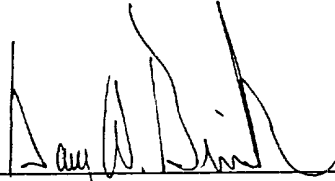
<sup>10</sup> Surface Location

UL or lot no. A	Section 19	Township 26N	Range 3W	Lot. Idn	Feet from the 990	North/South Line North	Feet from the 1190	East/West line East	County Rio Arriba
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<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 160/320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

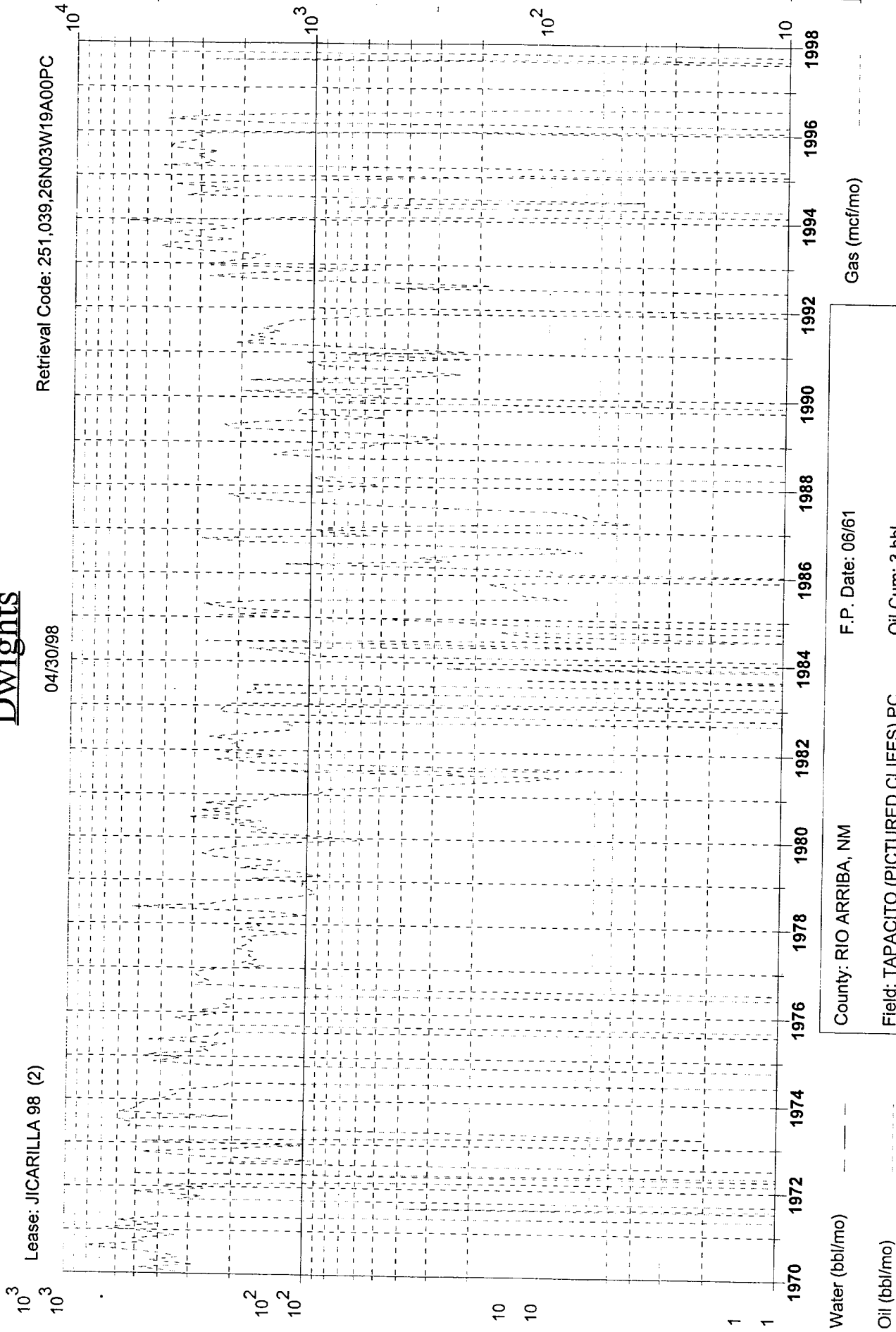
 <p>RECEIVED MAY 28 1998 OIL CON. DIV. DIST. 3</p>	<p><sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p> Signature Gary W. Brink Printed Name Production Superintendent Title 5/5/98 Date</p>
	<p><sup>18</sup> 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.</p> <p>_____ Date of Survey Signature and Seal of Professional Surveyer: Reissue of original survey _____ Certificate Number</p>

# Dwights

Lease: JICARILLA 98 (2)

04/30/98

Retrieval Code: 251,039,26N03W19A00PC



County: RIO ARRIBA, NM

F.P. Date: 06/61

Oil (bbl/mo)

Oil Cum: 3 bbl

Reservoir: PICTURED CLIFFS

Gas Cum: 942.3 mmcf

Operator TAURUS EXPLORATION U.S.A.

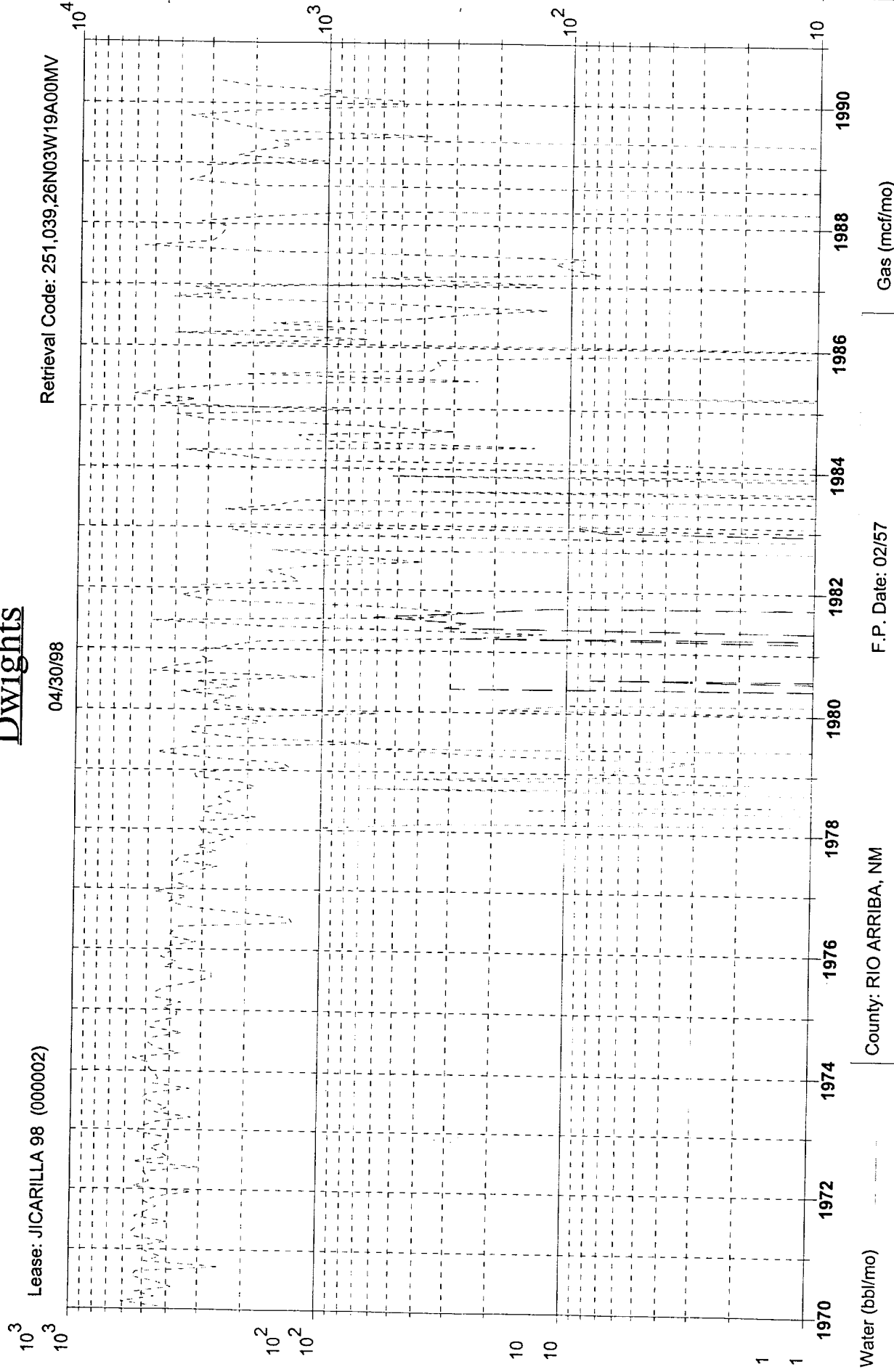
Location: 19A 26N 3W

# Dwights

Lease: JICARILLA 98 (000002)

04/30/98

Retrieval Code: 251.039.26N03W19A00MV



County: RIO ARRIBA, NM  
Field: BLANCO (MESAVERDE) MV  
Reservoir: MESAVERDE  
Operator: TAURUS EXPLORATION U.S.A.

F.P. Date: 02/57  
Oil Cum: 1208 bbl  
Gas Cum: 1338 mmcf  
Location: 19A 26N 3W

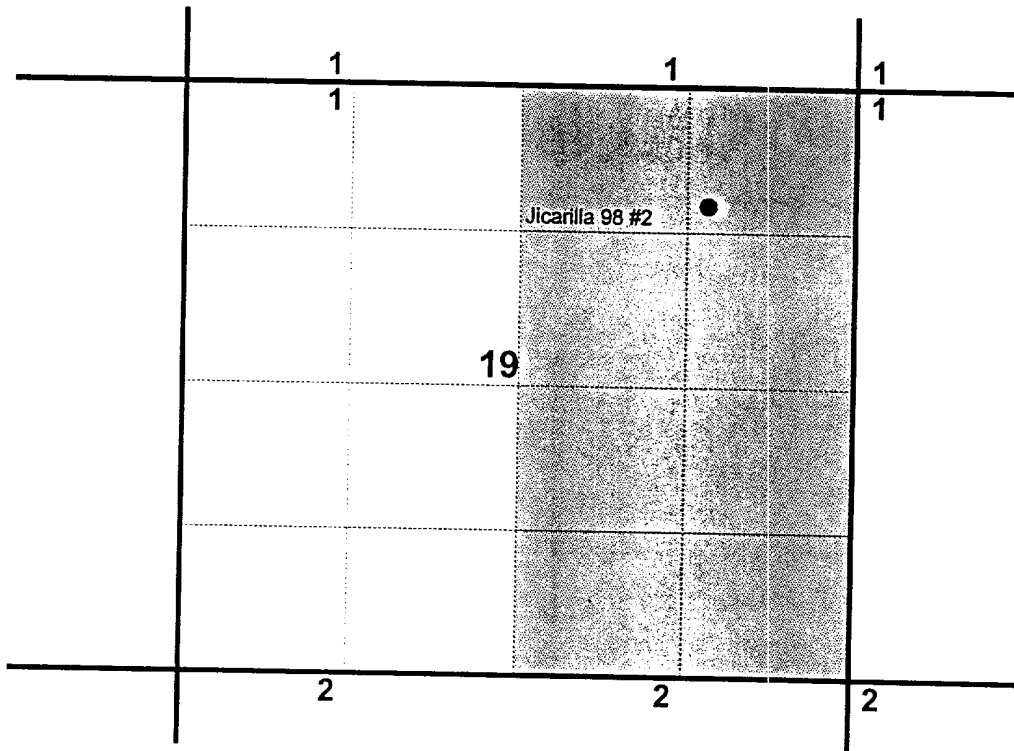
# **Taurus Exploration U.S.A., Inc**

## **Jicarilla 98 #2**

### **Offset Operator / Ownership Plat**

Tapicito Pictured Cliffs / Blanco Mesa Verde  
Downhole Commingling

Township 26 N, Range 3 W



1) Taurus Exploration U.S.A., Inc

2) Conoco, Inc.

10 Desta Dr. Ste 100W  
Midland Tx 79705-4500



CONDITIONS OF APPROVAL FOR DOWNHOLE COMMINGLING

Operator Taurus Expl. USA, Inc Well Name Jic. 98 B #2

1. The individual production zones will be tested every three years, or more often if production rates indicate a change to allocation factors, to verify that the allocation factors and methods remain proper.
2. Production from downhole commingled wells are to be reported with an alpha character, "C" (ie C1, C2, etc).
3. The following modifications to your downhole commingling program are to be made :

Submit well bore diagram with subsequent report.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT - " for such proposals

**SUBMIT IN TRIPLICATE**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Taurus Exploration, U.S.A., Inc.

3. Address and Telephone No.

2198 Bloomfield Highway; Farmington, NM 87401

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

990' FNL, 1190' FEL Sec. 19., T26N, R3W, NMPM

5. Lease Designation and Serial No.

Jicarilla Contract 98

6. If Indian, Allottee or Tribe Name

Jicarilla

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Jicarilla 98 2

9. API Well No.

30-039-06389

10. Field and Pool, or exploratory Area

Tapacito Pictured Cliffs  
Blanco Mesaverde

11. County or Parish, State

Rio Arriba NM

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

TYPE OF SUBMISSION

- ☒ Notice of Intent  
☐ Subsequent Report  
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☒ Other Downhole Commingle  
☐ Change of Plans  
☐ New Construction  
☐ Non-Routine Fracturing  
☐ Water Shut-Off  
☐ Conversion to Injection  
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

It is intended to downhole commingle this well as follows:

1. Pull and lay down 120 joints 3/4" tubing from PC.
2. Pull and lay down 192 joints 3/4" tubing from MV.
3. Release packer and TOH with 2 3/8" tubing.
4. TIH and clean out to below 5967'.
5. Land tubing at 5900'. Install single wellhead and swab in.

An application to commingle has been filed with the NMOC.

**RECEIVED**  
MAY 28 1998  
**OIL CON. DIV.**  
**DIST. 3**

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

Signed

Title Production Superintendent

Date 5/5/98

(This space for Federal or State office use)

Approved by

Title

Lands and Mineral Resources

Date

MAY 22 1998

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\* See Instruction on Reverse Side



## **Jicarilla 98 #2**

### **Economic Justification to Downhole Commingle**

Pictured Cliffs is producing thru 3720' of 3/4" tubing

Mesa Verde is logged off with fluid, unable to swab with 5945' of 3/4" tubing inside 2 3/8" string

Commingle wellbore and run single string of 2 3/8" tubing with plunger lift

Utilize Pictured Cliffs gas to help lift Mesa Verde fluid

Anticipated rate increase - 75 MCFD

Gas Price = \$2.00/ MCF

Increased Revenue Stream =  $75 \times 2 = \$150/\text{day}$

Increased Royalty =  $\$150 \times .125 = \$18.75 \text{ per day}$

Commingle with return a non-productive well to production and increase the total life and royalty stream from the well

**TAURUS**

TAURUS EXPLORATION, INC.  
2198 Bloomfield Highway  
Farmington, New Mexico 87401  
Telephone (505) 325-6800

98 MAY 11 PM 12:58

00 ALBUQUERQUE, N.M.

May 6, 1998

Ms. Lori Wrotenbery  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

RE: Administrative Approval to Downhole Commingle  
Taurus Exploration U.S.A., Inc.  
Jicarilla 98 #2  
990' FNL, 1190' FEL, Sec. 19, T26N, R3W, NMPM  
Rio Arriba County, New Mexico

Dear Ms. Wrotenbery:

Taurus Exploration U.S.A., Inc. requests administrative approval for downhole commingling the Tapacito Pictured Cliffs and Blanco Mesa Verde pools in the subject well. The well is currently producing as a Pictured Cliffs/Mesa Verde dual completion. The Mesa Verde zone has experienced liquid loading problems and it is felt downhole commingling will eliminate existing mechanical problems and allow the Pictured Cliffs flow stream to aid in keeping the Mesa Verde zone unloaded and producing.

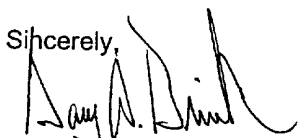
To comply with New Mexico Oil Conservation Rules, Taurus Exploration U.S.A., Inc. is submitting the following data for your approval of the proposed commingling:

1. For C107A - Application for Downhole Commingling
2. C102 - Location plat showing each spacing unit and dedicated acreage
3. Production curves for both the Mesa Verde and Dakota
4. Offset operator plat
5. Well location plat

In accordance with New Mexico Oil Conservation Division Rule 303C, all offset operators are being notified of this application by certified mail. As an offset operator, if you have no objection to this application, you do not have to respond to this notification.

If additional information is needed, please contact me.

Sincerely,



Gary W. Brink  
Production Superintendent

GWB/df

cc: NMOCD-Aztec, BLM-Albuquerque, Offset Operators

## DISTRICT I

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State of New Mexico  
Energy, Minerals and Natural Resources DepartmentForm C-107-A  
New 3-12-96

## OIL CONSERVATION DIVISION

2040 S. Pacheco  
Santa Fe, New Mexico 875054-6429

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

## APPLICATION FOR DOWNHOLE COMMINGLING

Taurus Exploration U.S.A., Inc.

2198 Bloomfield Highway, Farmington, New Mexico 87401

Operator

Address

Jicarilla 98

2

A

Sec. 19, T26N,

R3W

Rio Arriba County,

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

OGRID NO. 162928

Property Code 007167

API NO. 30-039-06389

Spacing Unit Lease Types: (check 1 or more)

Federal ☒ State ☐ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Tapacito PC 85920		Blanco MV 72319
2. Top and Bottom of Pay Section (Perforations)	3730 notched		5361-5967
3. Type of production (Oil or Gas)	gas		gas
4. Method of Production (Flowing or Artificial Lift)	flowing		flowing
5. Bottomhole Pressure	a. (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	485 calc.		665 calc.
Gas & Oil - Flowing: Measured Current	b. (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	976 calc.		1469 calc.
6. Oil Gravity ( $^{\circ}$ API) or Gas BTU Content)	1180 BTU		1191 BTU
7. Producing or Shut-In?	producing		shut in
Production Marginal? (yes or no)	no		yes
* If Shut-In, give date and oil/gas/water rates of last production	Date:	Date:	Date: 4/90
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Rates:	Rates:	Rates: 0/68/0
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	Rates: 0/115/0	Rates:	Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0 % Gas: 63 %	Oil: % Gas: %	Oil: 100 % Gas: 37 %

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If not, have all working, overriding, and royalty interests been notified by certified mail?  
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☒ Yes ☐ No  
☒ Yes ☐ No11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)14. If this well in on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) \_\_\_\_\_

## 16. ATTACHMENTS:

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SIGNATURE Gary W. Brink TITLE Prod. Superintendent DATE 5/5/98TYPE OR PRINT NAME Gary W. Brink TELEPHONE NO. ( 505 ) 325-6800

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Fee Lease - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-06389	<sup>2</sup> Pool Code 85920/72319	<sup>3</sup> Pool Name Tapacito Pictured Cliffs/Blanco Mesa Verde
<sup>4</sup> Property Code 007167	<sup>5</sup> Property Name Jicarilla 98	<sup>6</sup> Well Number 2
<sup>7</sup> OGRID No. 162928	<sup>8</sup> Operator Name Taurus Exploration, U.S.A., Inc.	<sup>9</sup> Elevation 7019

<sup>10</sup> Surface Location

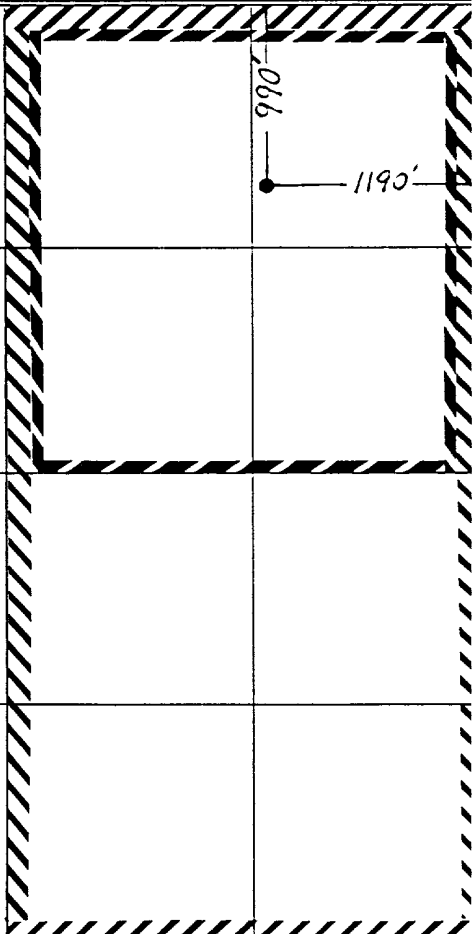
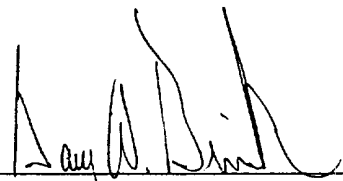
UL or lot no. A	Section 19	Township 26N	Range 3W	Lot. Idn	Feet from the 990	North/South Line North	Feet from the 1190	East/West line East	County Rio Arriba
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
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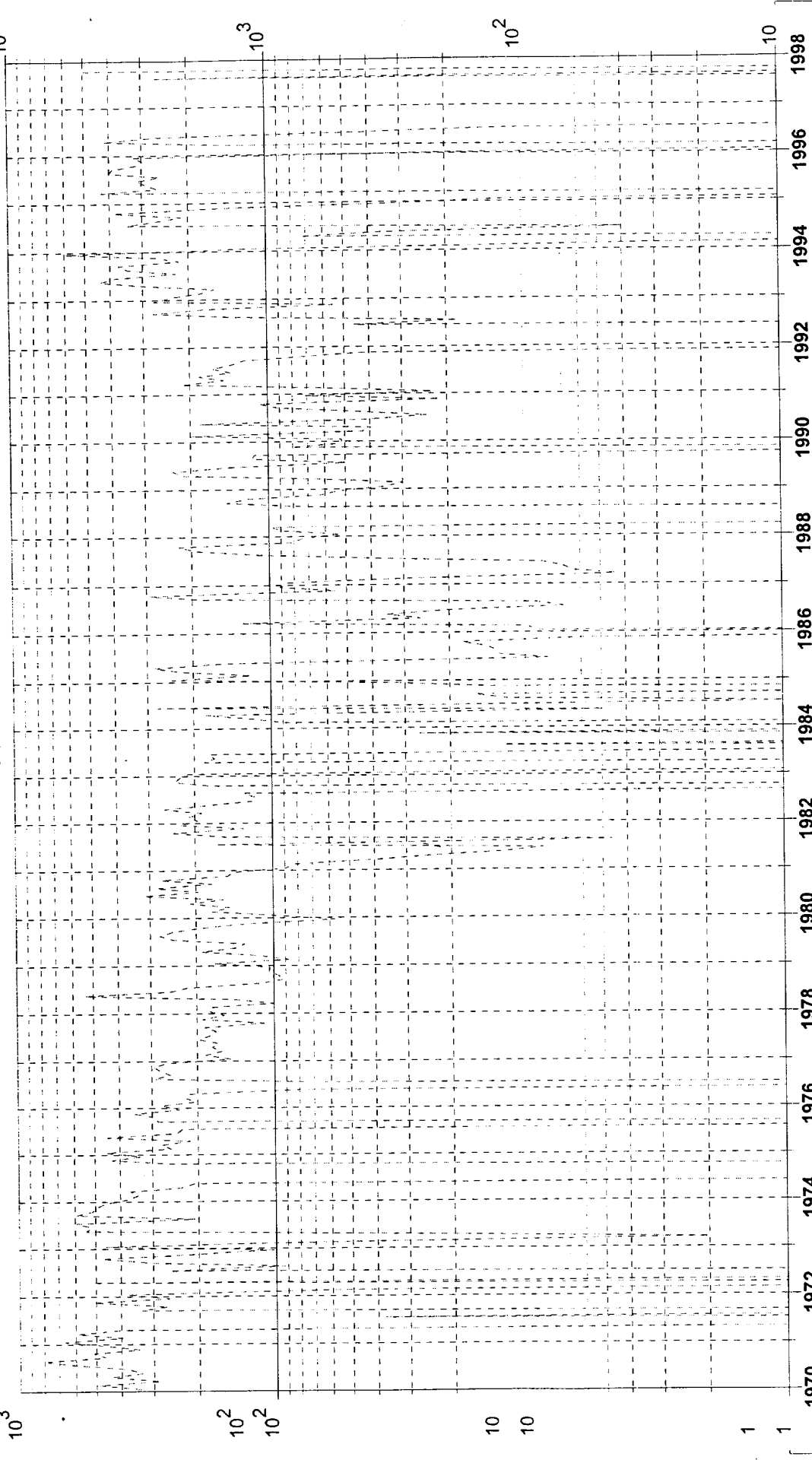
<sup>12</sup> Dedicated Acres 160/320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<b>RECEIVED</b> MAY 28 1998 OIL CON. DIV. DIST. 3			<sup>17</sup> OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Gary W. Brink Printed Name Production Superintendent Title 5/5/98 Date
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			Date of Survey Signature and Seal of Professional Surveyer: Reissue of original survey
			Certificate Number

# Dwights

Lease: JICARILLA 98 (2)      04/30/98      Retrieval Code: 251,039,26N03W19A00PC



County: RIO ARRIBA, NM	F.P. Date: 06/61
Field: TAPACITO (PICTURED CLIFFS) PC	Oil Cum: 3 bbl
Reservoir: PICTURED CLIFFS	Gas Cum: 942.3 mmcf
Operator TAURUS EXPLORATION U.S.A.	Location: 19A 26N 3W

Gas (mcf/mo)

Water (bbl/mo)

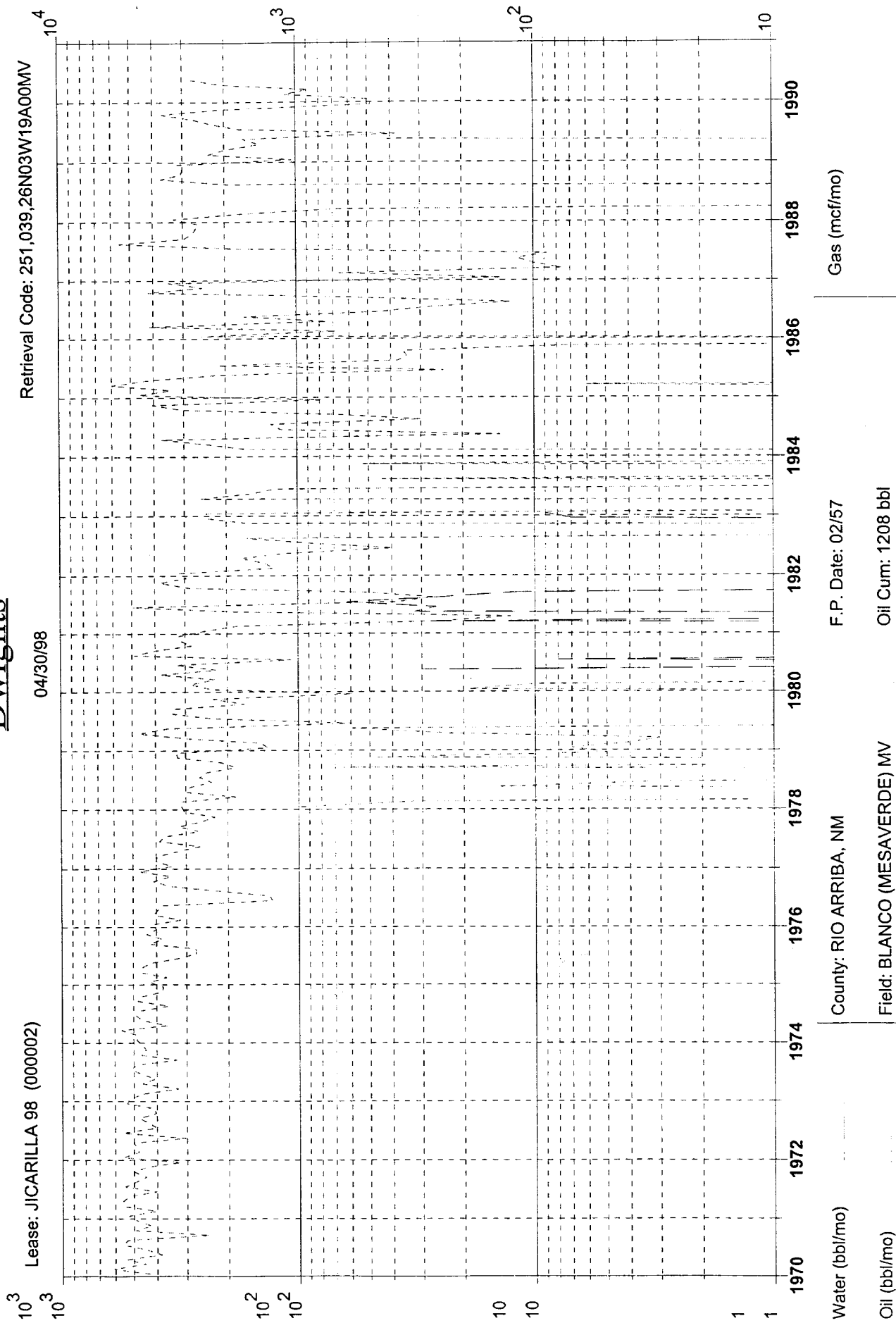
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F.P. Date: 02/57

Oil Cum: 1208 bbl

Gas Cum: 1338 mmcf

Location: 19A 26N 3W

County: RIO ARRIBA, NM

Field: BLANCO (MESAVERDE) MV

Reservoir: MESAVERDE

Operator TAURUS EXPLORATION U.S.A.

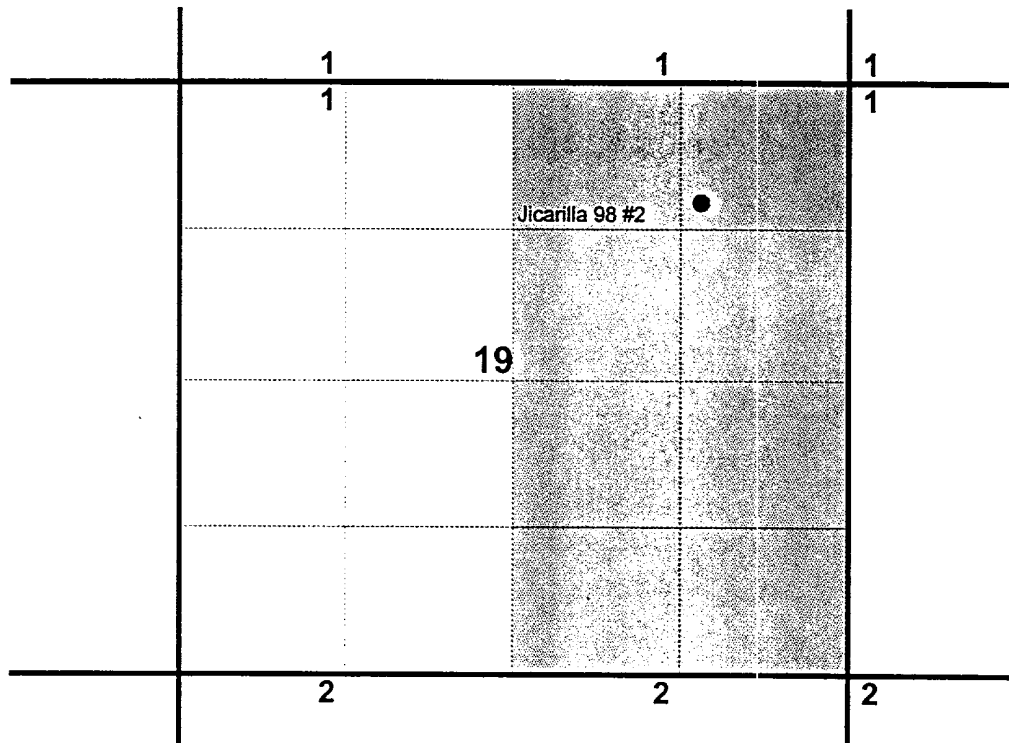
# Taurus Exploration U.S.A., Inc

## Jicarilla 98 #2

### Offset Operator / Ownership Plat

Tapicito Pictured Cliffs / Blanco Mesa Verde  
Downhole Commingling

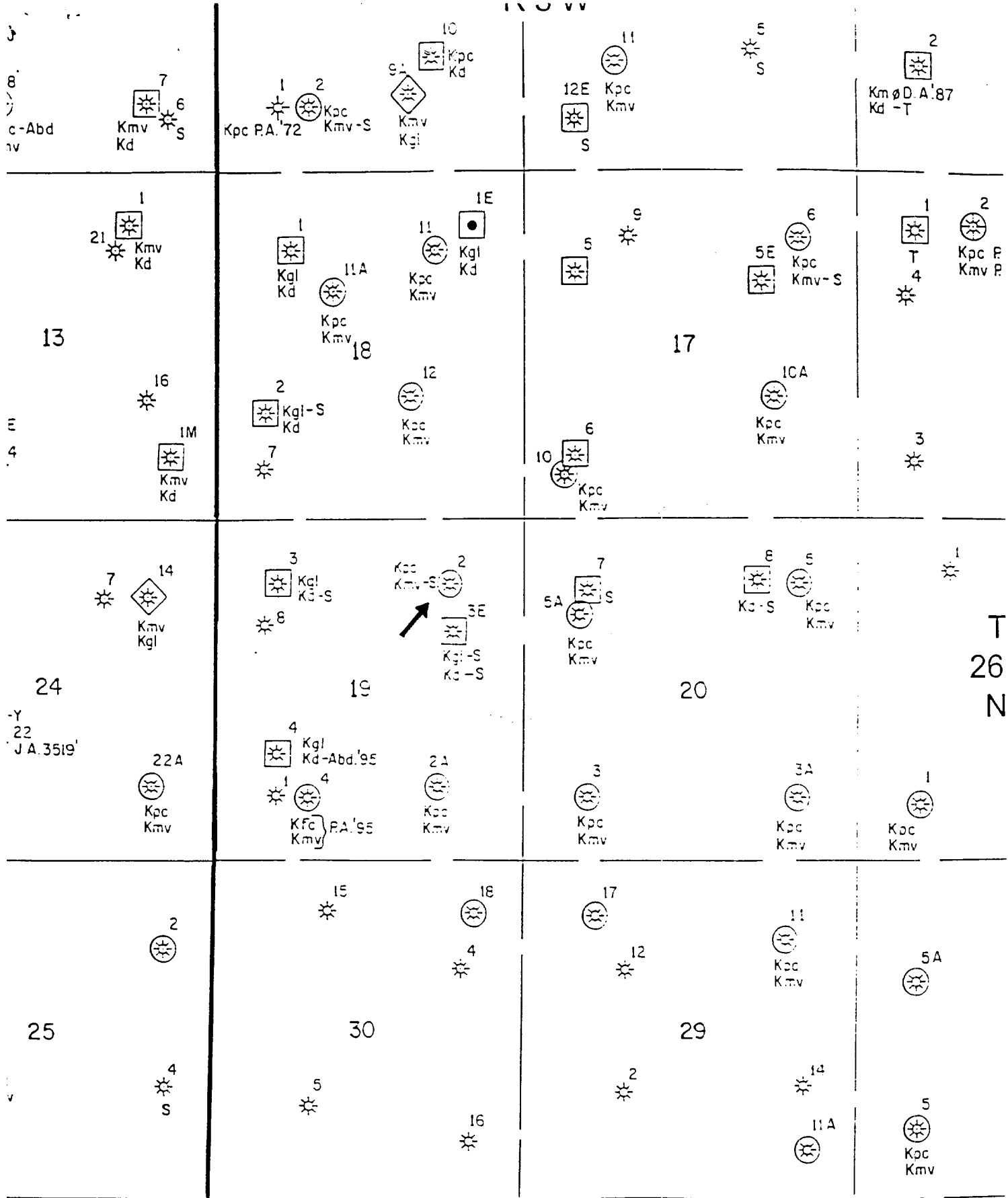
Township 26 N, Range 3 W



1) Taurus Exploration U.S.A., Inc

2) Conoco, Inc.

10 Desta Dr. Ste 100W  
Midland Tx 79705-4500



**Taurus Exploration U.S.A., Inc**  
 Jicarilla 98 #2  
 Well Location Plat  
 Unit A, Section 19, T 26 N, R 3 W  
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CONDITIONS OF APPROVAL FOR DOWNHOLE COMMINGLING

Operator Taurus Expl. USA, Inc Well Name Jic. 98 B #2

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