Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

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

5. Lease Designation and Serial No.

<u>Jicarilla Contract 115</u>

6. If Indian, Allottee or Tribe Name

Change of Plans

Water Shut-Off

Dispose Water

New Construction

Non-Routine Fracturing

Conversion to Injection

(Note: Report results of multiple completion on Well

SUNDRY	NOTICES AN	D REPORTS	ON WEL	LS DI-Y
Do not use this form for pro	oposals to drill o	or to <mark>deepen</mark>	or reentry	to a different reservoir.

Lise "APPLICATION FOR PERMIT - " for such proposals 3 / Jicarilla Apache DIP ALBUQUERQUE 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 1. Type of Well 8. Well Name and No. Oil X Gas Jicarilla 115E 14 2. Name of Operator ENERGEN RESOURCES CORPORATION 9. API Well No. 3. Address and Telephone No. 30-039-06622 2198 Bloomfield Highway, Farmington, NM 10. Field and Pool, or exploratory Area Gavilan PC/Blanco MV 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1150' FNL, 1190' FEL, Sec, 10, T26N, R3W, N.M.P.M. 11. County or Parish, State MM Rio Arriba CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF SUBMISSION TYPE OF ACTION

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.)*

Abandonment

Recompletion

Plugging Back

Casing Repair

Altering Casing

Downhole Commingle

It is intended to downhole commingle this well as follows:

- 1. MIRU. TOH and lay down PC tubing. Release Baker EGJ packer at 5366' and TOH.
- 2. TIH and clean out to 6037' with air mist.

Notice of Intent

Subsequent Report

Final Abandonment Notice

3. Land tubing at 5970'. Install single wellhead. Release rig.

14. I hereby certif Title Production Superintendent Signed Lands and Mineral Resources Title 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



Jicarilla 115E #14 Unit A, Section 10, T 26 N, R 3 W Rio Arriba Co., N.M.

Subject: Economic Justification To Downhole Commingle

Current Oil Price -- \$12.00 Current Gas Price -- \$1.20 Net less gathering & processing

The Blanco Mesa Verde and Gavilan Pictured Cliffs are marginal producers in this area. The Pictured Cliffs has experienced severe liquid loading problems and requires unloading on a routine basis to keep it producing. It is felt if the mechanical restrictions can be removed from the wellbore and a plunger lift system installed, an increase in total production will be realized.

Current Mesa Verde Rate: 126 MCFD & ½ BOPD Projected Mesa Verde Rate: 150 MCFD & 1 BO

Current PC Rate: 14 MCFD

Projected PC Rate: 25 MCFD & 1BO

Incremental Uplift: 35 MCFD & 1 1/2 BO

Increased Revenue Stream

Gas Rèvenue 35 * 1.20 * 30 = \$1260 Oil Revenue 1.5 * 12.00 * 30 = \$540 Increased Monthly Revenue \$1800

Increased Royalty \$225 per month

Downhole commingling will eliminate the waste of having the Pictured Cliffs shut in, stabilize the flowstream and extend the life of the well through increased efficiencies.