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.

Jic 96 Contract

6. If Indian, Allottee or Tribe Name

	SUNDRY	NOTICES /	AND R	EPORTS	ON WE	LLS	
Do not use this for	m for prop	osals to dr	ill or to	deepen c	or reentry	y to a different	reservoir.

Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

S. Well New and No.

X Gas 8. Well Name and No. Oil 6 Jicarilla 96 2. Name of Operator ENERGEN RESOURCES CORPORATION 9 API Well No. 3. Address and Telephone No. **30**-039-06660 2198 Bloomfield Highway, Farmington, NM 87401 10. Field and Pool, or exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Gavilan PC/Blanco MV 990' FSL, 990' FWL, Sec. 2, T26N, R3W, N.M.P.M. 11. County or Parish, State Rio Arriba NM

CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Abandonment Change of Plans **New Construction** Recompletion Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Final Abandonment Notice Conversion to Injection Altering Casing <u>Downhole Commingle</u> (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. MIRU. TOH and lay down PC tubing. Release seal assembly and TOH and lay down tubing.
- 2. TIH with 2 3/8" tubing and packer milling assembly. Mill out Model "D" packer at 5362'. TOH.
- 3. TIH and clean out to 5910' with air mist. Land 2 3/8" tubing. Return to production.

14. I hereby certify that the foregaing is true and correct
Signed

Title Production Superintendent

Date 7/29/99

(This space for Federal or State office use)

Approved by
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 96 #6 Unit M, Section 2, T 26 N, R 3 W Rio Arriba Co., N.M.

Subject: Economic Justification To Downhole Commingle

Current Oil Price -- \$16.00 Current Gas Price -- \$1.50 Net less gathering & processing

The Blanco Mesa Verde is producing and Gavilan Pictured Cliffs is loading up with fluid and requires constant attention. Since the Pictured Cliffs is extremely wet, it is felt the remaining reserves can be produced with commingling. Downhole commingling along with a plunger installation will utilize the Mesa Verde flowstream to assist in keeping the PC unloaded and producing.

Current Mesa Verde Rate: 107 MCFD & 1/2 BO Projected Mesa Verde Rate: 120 MCFD & ½ BO

Current PC Rate: 74 MCFD
Projected PC Rate: 91 MCFD

Incremental Uplift: 30 MCFD

Increased Revenue Stream

Gas Revenue 30 * 1.50 * 30 = \$1350

Increased Monthly Revenue \$1350

Increased Royalty \$169 per month

Downhole commingling will eliminate the waste of venting gas to the atmosphere to keep the well unloaded, stabilize the flowstream and extend the life of the well through increased efficiencies.