



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1606 RIO BRAZOS ROAD
AZTEC, NM 87410
(505) 334-6170 FAX: (505) 334-6170
<http://kennerd.state.nm.us/oed/District/NM3distr.htm>

GARY E. JOHNSON
GOVERNOR

Jennifer A. Salisbury
CABINET SECRETARY

September 4, 1998

Mr Gary Brink
Taurus Exploration USA, Inc
2198 Blmfld Hwy
Farmington NM 87401

Re: Jicarilla 96 #2, API# 30-039-06755, A-02-26N-03W, DHC

Dear Mr. Brink:

Your recommended allocation of commingled production for the referenced well is hereby accepted as follows:

	Gas	Oil
Pictured Cliffs	27%	0%
Mesaverde	73%	100%

Yours truly,

Ernie Busch
District Geologist/Deputy O&G Inspector

EB/mk

cc: well file
Jim Lovato, Farmington BLM
David Catanach, NMOCD Santa Fe

JIC 96 #2. JHC

TAURUS

RECEIVED
AUG 4 1998

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

New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

OIL CON. DIV.
DIST. 3

Jicarilla 96 #2
Unit A, Section 2, T 26 N, R 3 W
Rio Arriba Co., New Mexico
Gavilan Pictured Cliffs & Blanco Mesa Verde Pools
Administrative Order DHC-1066

Dear Mr. Chavez:

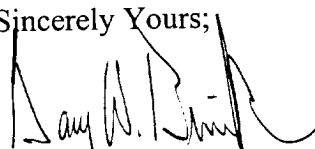
We recently completed the field operations to downhole commingle the subject well. In accordance to DHC-1066, the supervisor of the Aztec District Office of the NMOCD shall determine the proper production allocation.

Prior to downhole commingling, the Pictured Cliffs was producing 79 MCFD and the Mesa Verde was flowing 209 MCFD and ½ BOPD. It is recommended the production allocation be as follows:

	Gas	Oil
Pictured Cliffs	27%	0%
Mesa Verde	73%	100%

Attached are the respective production decline curves for the subject well. The recommended allocation correlates with the historical production on the well. If additional information is needed, please contact me.

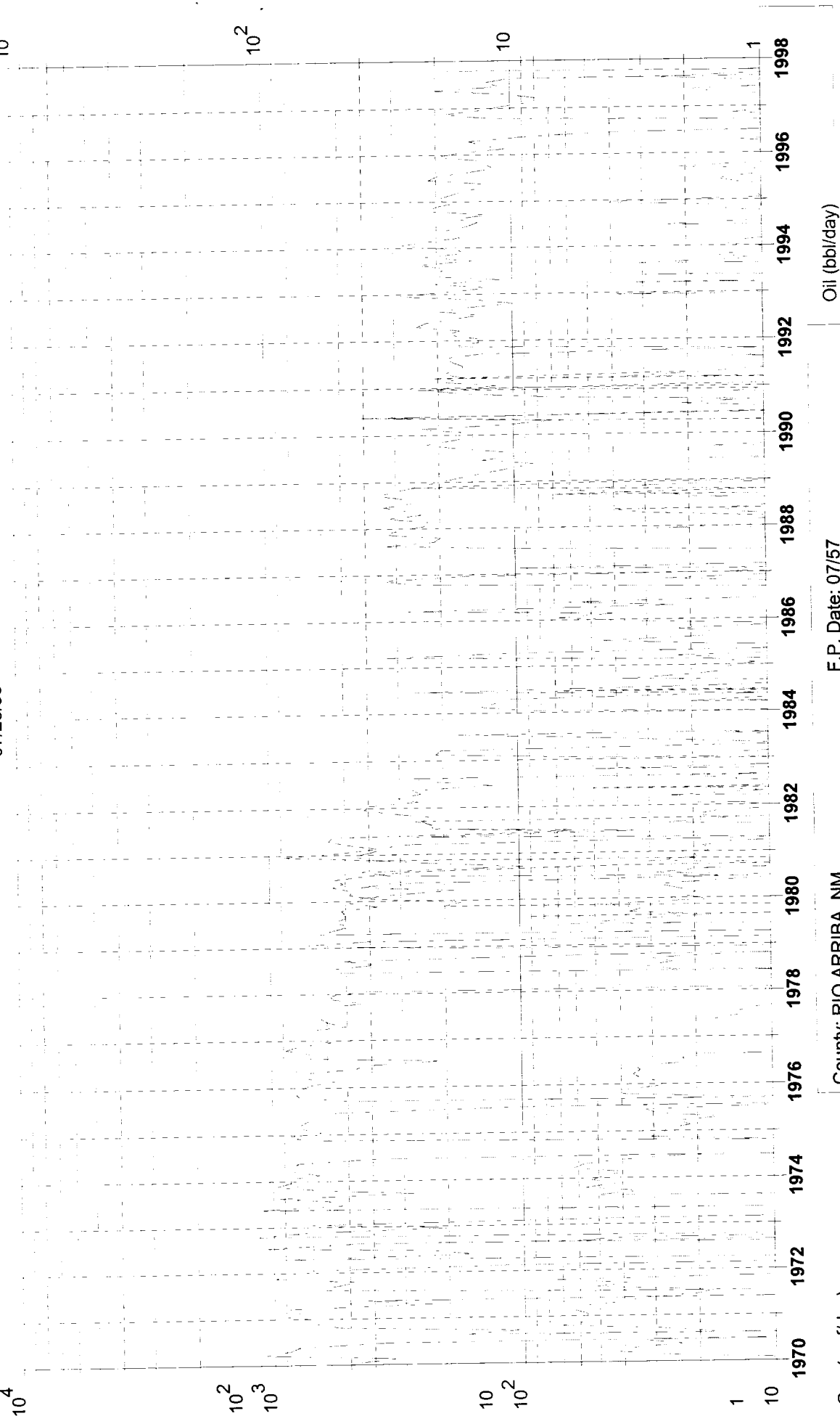
Sincerely Yours;



Gary W. Brink
Production Superintendent

Dwights

Lease: JICARILLA 96 (2) Retrieval Code: 251.039.26N03W02A00MV 07/25/98



Oil (bbl/day)

F.P. Date: 07/57

County: RIO ARRIBA, NM

Oil Cum: 25.89 mbbl

Field: BLANCO (MESAVERDE) MV

Gas Cum: 5136 mmcf

Reservoir: MESAVERDE

Location: 2A 26N 3W

Operator TAURUS EXPLORATION U.S.A.

Gas (mcf/day)

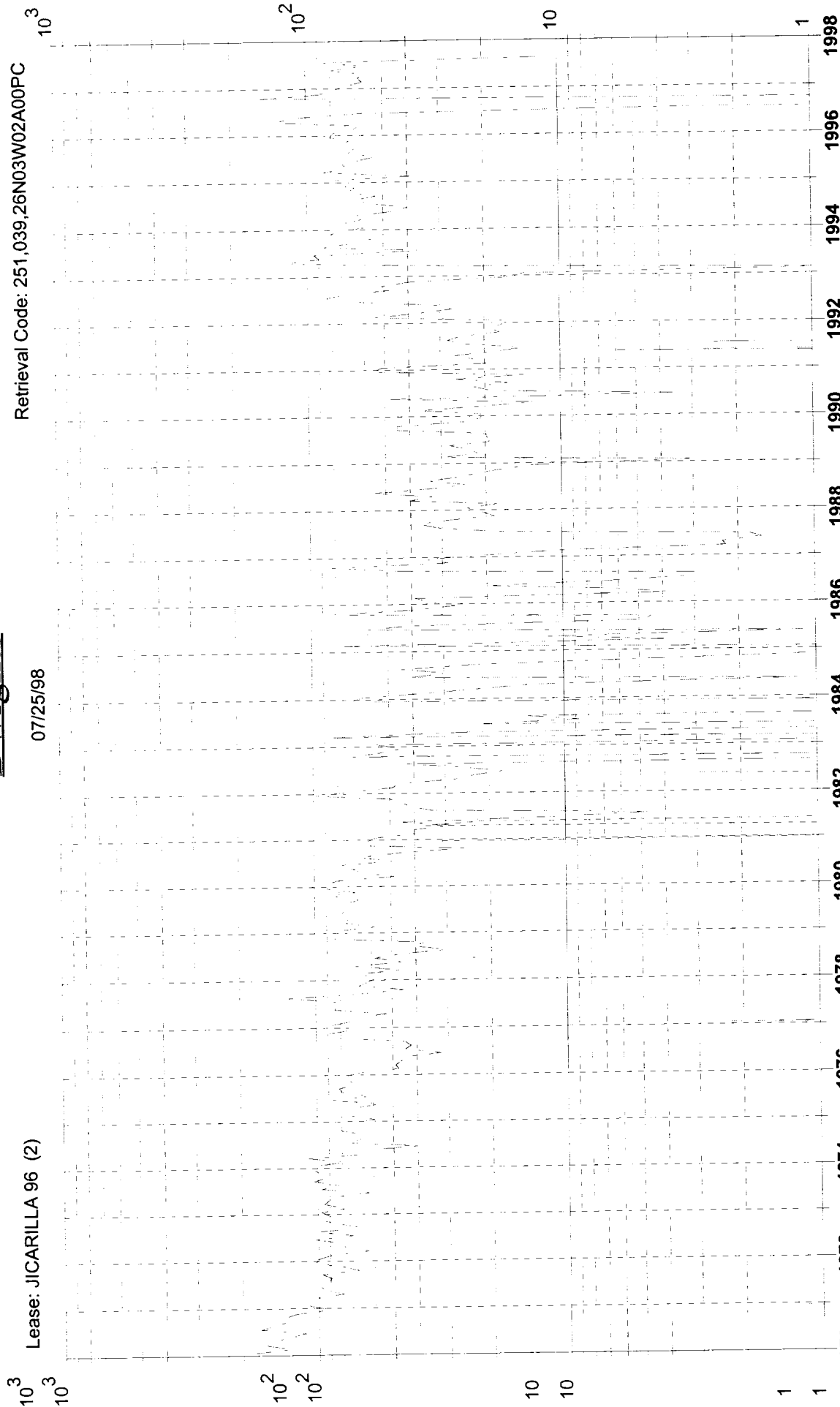
Water (bbl/mo)

Dwights

Lease: JICARILLA 96 (2)

07/25/98

Retrieval Code: 251,039,26N03W02A00PC



Oil (bbl/day)

F.P. Date: 07/57

County: RIO ARriba, NM

Field: GAVILAN (PICTURED CLIFFS) PC

Oil Cum: 3599 bbl

Gas Cum: 1369 mmcf

Reservoir: PICTURED CLIFFS

Location: 2A 26N 3W

Operator TAURUS EXPLORATION U.S.A.

Gas (mcf/day)

Water (bbl/mo)