Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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

FORM APPROVED

5. Lease Designation and Serial No.

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 7. If Unit or CA, Agreement Designation	BONEAGO I Zana Mario Zana		Jicarilla 152
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SUBMIT IN TRIPLICATE 1. Type of Well Gas Other	Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.		
1. Type of Well Gas			
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2. Name of Operator ENERGEN RESOURCES CORPORATION 3. Address and Telephone No. 2198 Bloomfield Highway, Farmington, NM 87401 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1810' FNL, 1570' FEL, Sec. 7, T26N, R5W N.M.P.M. 12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent	SUBMIT	IN TRIPLICATE	_
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1810' FNL, 1570' FEL, Sec. 7, T26N, R5W N.M.P.M. Blanco Mesaverde 11. County or Parish, State Rio Arriba NM	4. Leasting of Well (Footage, Sec., T., R., M., or Survey Det		
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TYPE OF SUBMISSION X Notice of Intent Abandonment Change of Plans			Rio Arriba NM
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Abandonment X Notice of Intent	12. CHECK APPROPRIATE BOX(S		
Notice of Intent	TYPE OF SUBMISSION	TYPE OF ACTION	
Subsequent Report Plugging Back Non-Routine Fracturing	X Notice of Intent	Abandonment	Change of Plans
Final Abandonment Notice Casing Repair		Recompletion	New Construction
Altering Casing Other Downhole Commingle Other Downhole Commingle Other Seport results of multiple completion on Well Completion or Recompletion Report and Log form.) 3. 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 drille 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 1 1/4" tubing. Release seal assembly and TOH. 2. TIH and clean out to 6150'. Land tubing at 6100'. Install single wellhead return to production.	Subsequent Report	Plugging Back	Non-Routine Fracturing
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14. I hereby certify that the foregoins is true and forect
Signed

Title Production Superintendent

Date 10/1/99

Title Production Superintendent

Date 10/5/89

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 152 W #5 Unit G, Section 7, T 26 N, R 5 W Rio Arriba Co., N.M.

Subject: Economic Justification To Downhole Commingle

Current Oil Price -- \$20.00 Current Gas Price -- \$2.10 Net less gathering & processing

The Blanco Mesa Verde side of this dual completion has extreme liquid loading problems. Operationally, the well requires unloading every 3-4 days to keep the well producing at its average rate. Commingling will allow the installation of a plunger system to stabilize to flowstream and utilize the Pictured Cliffs gas to keep the well unloaded.

Current Mesa Verde Rate:

62 MCFD

Projected Mesa Verde Rate: 85 MCFD & 1 BO

Incremental Uplift:

23 MCFD & 1 BO

Increased Revenue Stream

Gas Revenue 23 * 2.10 * 30 = \$1449Oil Revenue 1 * 20.00 * 30 = \$600Increased Monthly Revenue \$2049

Increased Royalty

\$256 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.