

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 875054-6429

Form C-107-A
New 3-12-96

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

ENERGEN RESOURCES CORPORATION 2198 Bloomfield Highway, Farmington, NM 87401
Operator Address

Jicarilla 117E 3A 34 26N 3W Rio Arriba
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. 162928 Property Code 21928 API NO. 30-039-25964
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 | Blanco MV 72319 | | NE Ojito GL-DK 48025 |
| 2. Top and Bottom of Pay Section (Perforations) | 6210 - 6336' | | 7345 - 8109' |
| 3. Type of production (Oil or Gas) | Gas | | Oil |
| 4. Method of Production (Flowing or Artificial Lift) | Flowing | | Flowing |
| 5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original | a. (Current) Not Completed b. (Original) 1008 Est. * Jicarilla 117E #7A | a. RECEIVED MAY 25 1999 b. OIL CON. DIV. DIST. 3 | a. 770 Calc. b. 1146 Calc. |
| 6. Oil Gravity (°API) or Gas BTU Content) | 1230 BTU Est. | | 47 Degrees API |
| 7. Producing or Shut-In? | Not Completed | | Producing |
| Production Marginal? (yes or no) | No | | |
| * If Shut-in, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data | Date: Rates: | Date: Rates: | Date: Rates: |
| * If Producing, give date and oil/gas/water rates of recent test (within 60 days) | Date: Rates: Not Completed | Date: Rates: | Date: 4/1/99 Rates: 2/11/0 |
| 8. Fixed Percentage Allocation Formula - % for each zone | Oil: See % Gas: Attached % | Oil: % Gas: % | Oil: See % Gas: Attached % |

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 ☐ No
11. 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 ☐ No
13. 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 5/24/99

TYPE OR PRINT NAME Gary W. Brink TELEPHONE NO. (505) 325-6800

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 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

| | | | |
|----------------------------|--|--------------------------|---|
| API Number 30-039-25964 | | Pool Code 72319/48025 | Pool Name Blanco MV/NE Ojito Gallup-Dakota |
| Property Code 21943 | Property Name JICARILLA 117E | | Well Number 3A |
| OGRID No. 162928 | Operator Name TAURUS EXPLORATION U.S.A., Inc. | | Elevation 7475 |

¹⁰ Surface Location

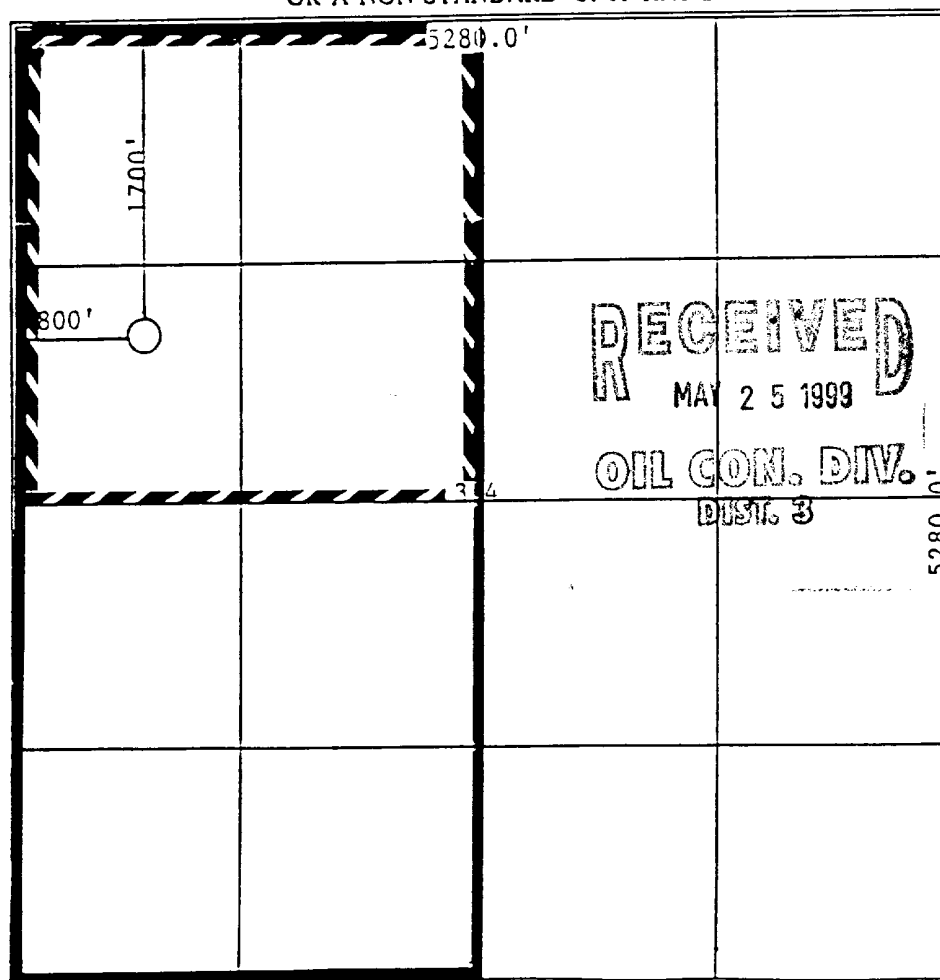
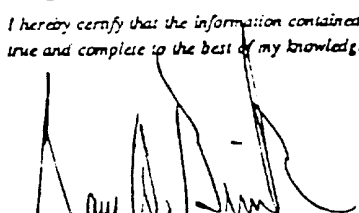
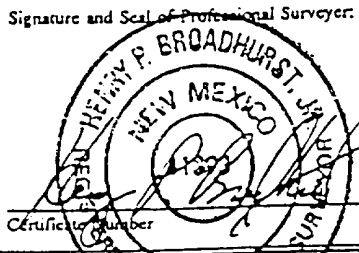
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| E | 34 | 26N | 3W | | 1700 | NORTH | 800 | WEST | RIO ARriba |

¹¹ 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|----------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 320/160 | Joint or Infill | Consolidation Code | Order No. |
|----------------------------|-----------------|--------------------|-----------|

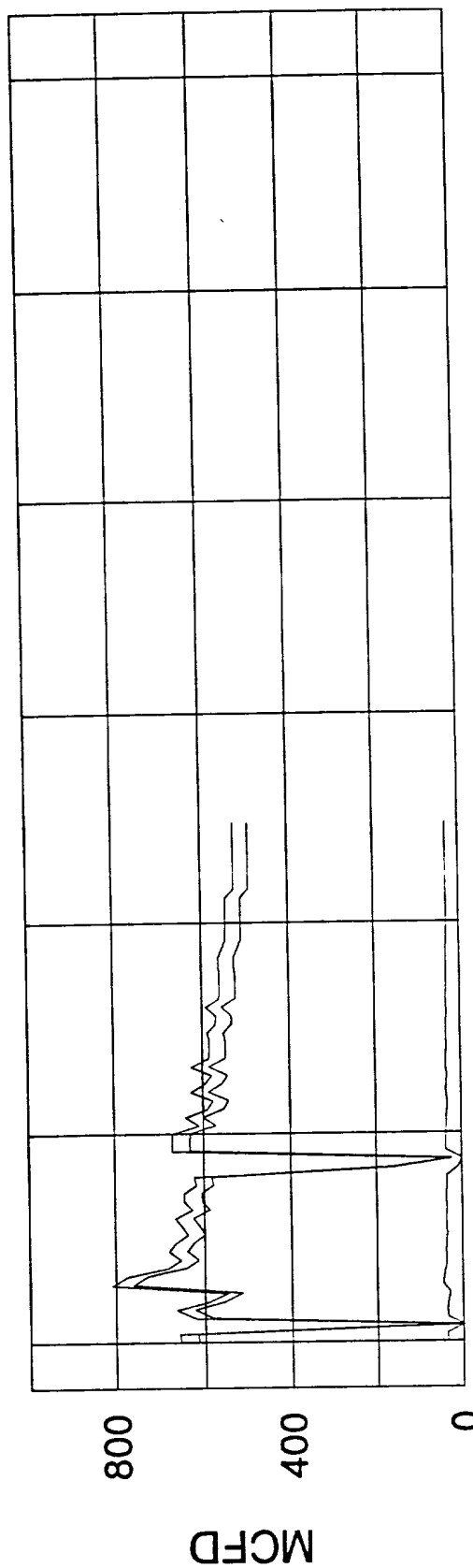
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | |
|--|--|
|  | <p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p></p> <p>Signature Gary W. Brink Printed Name Production Superintendent Title 7/13/98 Date</p> |
| | <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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>6-10-98 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: </p> |

5280.0'

JICARILLA 117 E 7A

DAILY GAS PRODUCTION PLOT



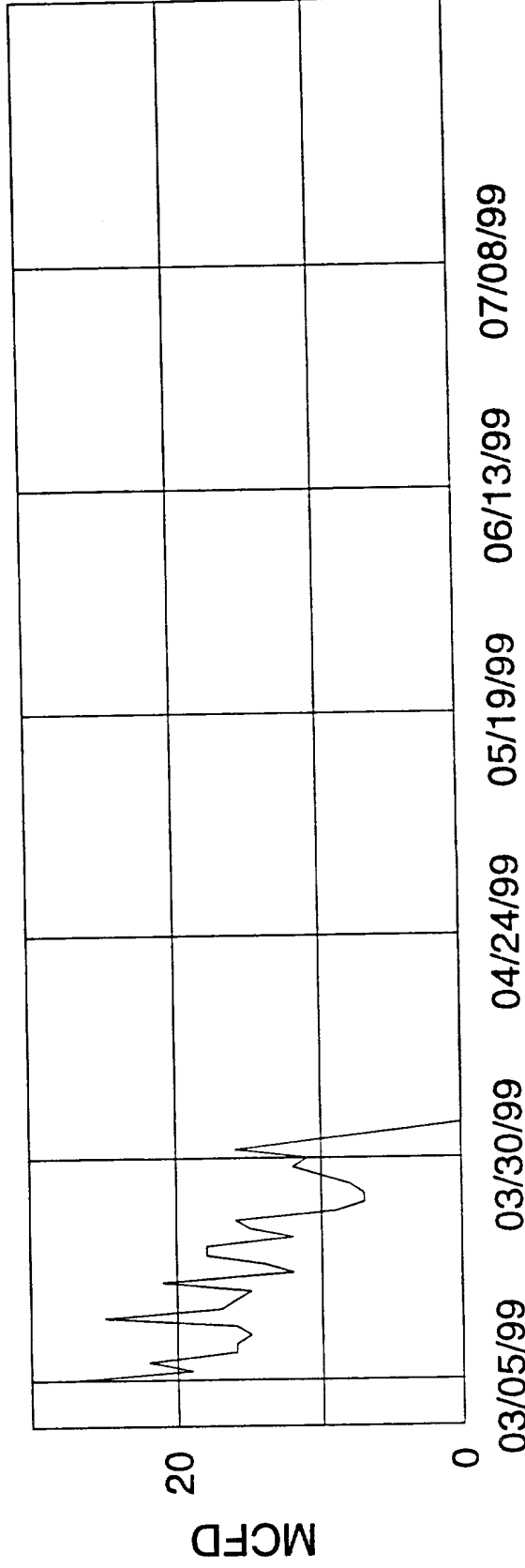
03/02/99 03/27/99 04/21/99 05/16/99 06/10/99 07/05/99 07/30/99

DATE

— MESAVERDE — PC — TOTAL

JICARILLA 117 E 3A

DAILY GAS PRODUCTION PLOT

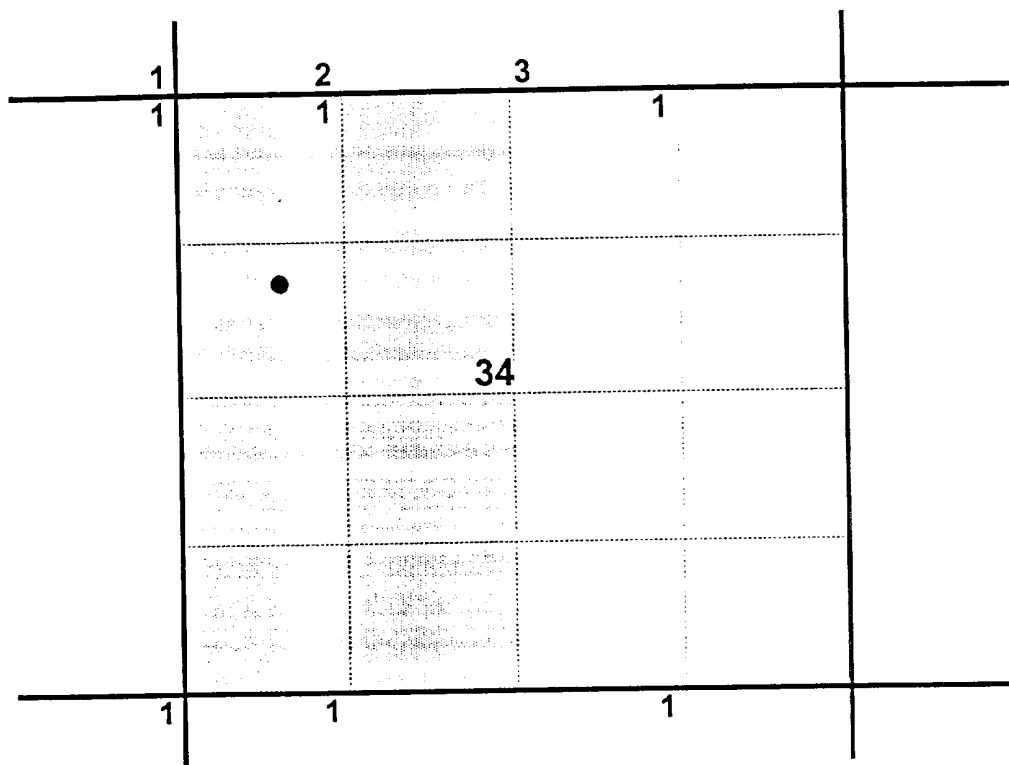


— GALLUP

Energen Resources Corp.

Jicarilla 117E #3A
Offset Operator / Ownership Plat
Blanco Mesa Verde/ NE Ojito Gallup Dakota
Downhole Commingling

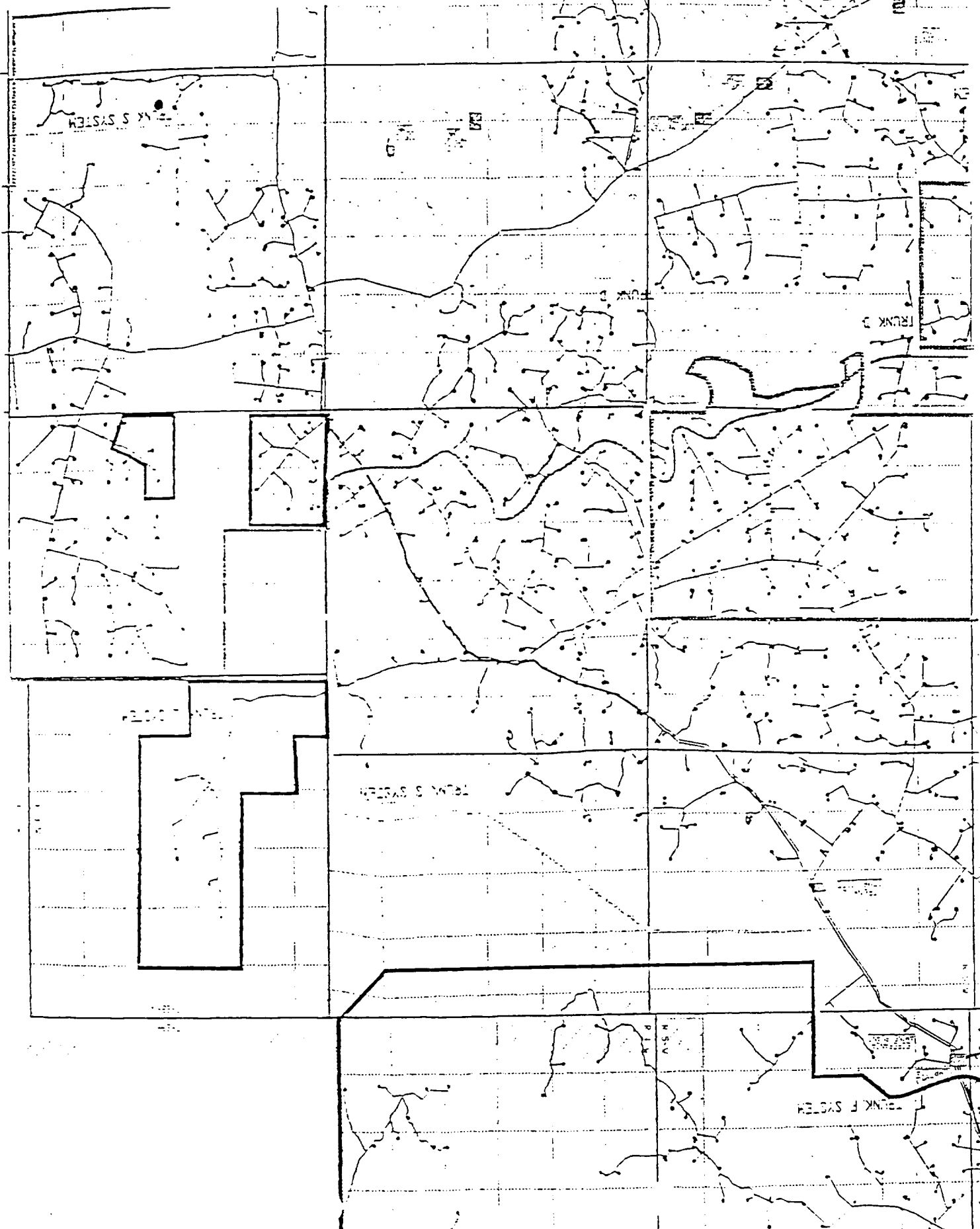
Township 26 N, Range 3 W



- 1) Energen Resources
- 2) Central Resources
1775 Sherman St
2600 Mellon Ctr.
Denver, Colo. 80203
- 3) Dugan Production Corp.
P.O. Box 420
Farmington, N.M. 87401

TAURUS EXPLORATION U.S.A., INC.

Jicarilla 117 E #3A
Pipeline & Well Map



Jicarilla 117E #3A

Proposed Allocation Method

Produce total well stream for 30 days following Mesa Verde pay add
Pay Add projected to add 400 MCFD to Mesa Verde flow stream

Total Stream = X

Gallup/Dakota Stabilized rate = 11 MCFD

GL/DK Allocation = $11 / X$ as a percentage

MV Allocation = $(X - 11) / X$ as a percentage

MV Oil Allocation = Total Stream - 2 BOPD to Gallup/Dakota as a percentage of the total
Production

Rates will be reported to NMOCD- Aztec for final allocation percentage determination