

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

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

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 875054-6429

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Taurus Exploration U.S.A., Inc. 2198 Bloomfield Highway, Farmington, NM 87401
Operator Address

Navajo 1 1 G Sec. 25 27N 9W San Juan
Lease Well No Unit Ltr. - Sec - Twp - Rge County

OGRID NO 162928 Property Code 007346 API NO. 30-045-06247
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 Mesa Verde 72319		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	4390-4441		6464-6654
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 694 Calc. b. (Original) 1242 Calc.		a. 434 Calc. b. 2510 Calc.
6. Oil Gravity (^o API) or Gas BTU Content)	1241 BTU		1243 BTU
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	yes		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: 1/9/98 Rates: .5/7/0	Date: Rates:	Date: 1/9/98 Rates: .3/62/0
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 62% Gas: 10%	Oil: % Gas: %	Oil: 38% Gas: 90%

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 2/5/98

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

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 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

¹ API Number 30-045-06247	² Pool Code 72319/71599	³ Pool Name Blanco Mesa Verde/Basin Dakota
⁴ Property Code 007346	⁵ Property Name Navajo 1	⁶ Well Number 1
⁷ OGRID No. 162928	⁸ Operator Name Taurus Exploration, U.S.A., Inc.	⁹ Elevation 6136

¹⁰ Surface Location


UL or lot no. G	Section 25	Township 27N	Range 9W	Lot. Idn	Feet from the 2310	North/South Line North	Feet from the 1650	East/West line East	County San Juan
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¹¹ Bottom Hole Location If Different From Surface

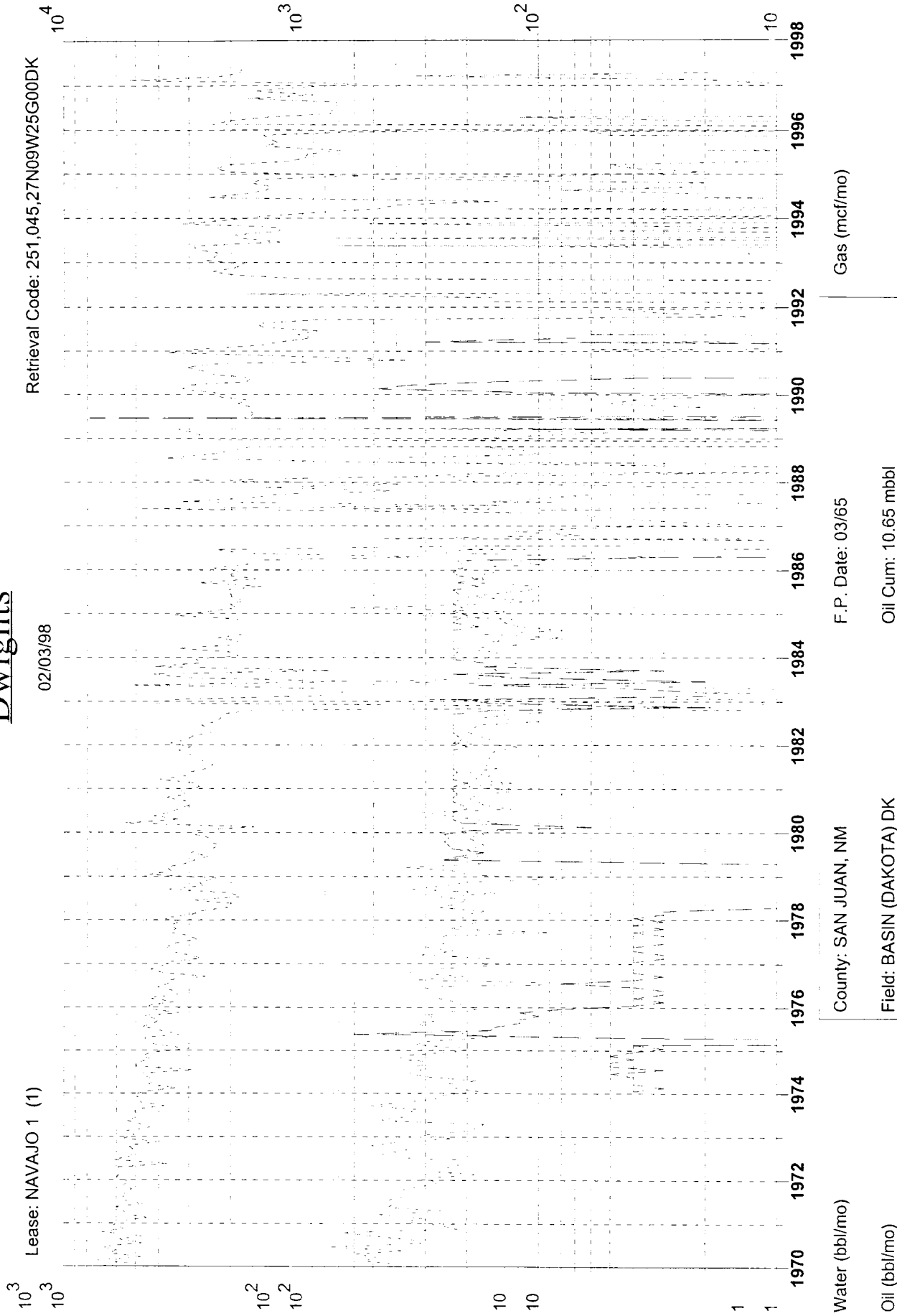
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
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¹² Dedicated Acres 320/320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO 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 <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p> Signature Gary W. Brink Printed Name Prod. Superintendent Title 2/5/98 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION <i>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.</i></p> <p>6/4/64 Date of Survey Signature and Seal of Professional Surveyer: Reissue of original survey by Stephen H. Kinney 803 Certificate Number</p>

Dwights



County: SAN JUAN, NM
Field: BASIN (DAKOTA) DK
Reservoir: DAKOTA
Operator: TAURUS EXPLORATION USA, I

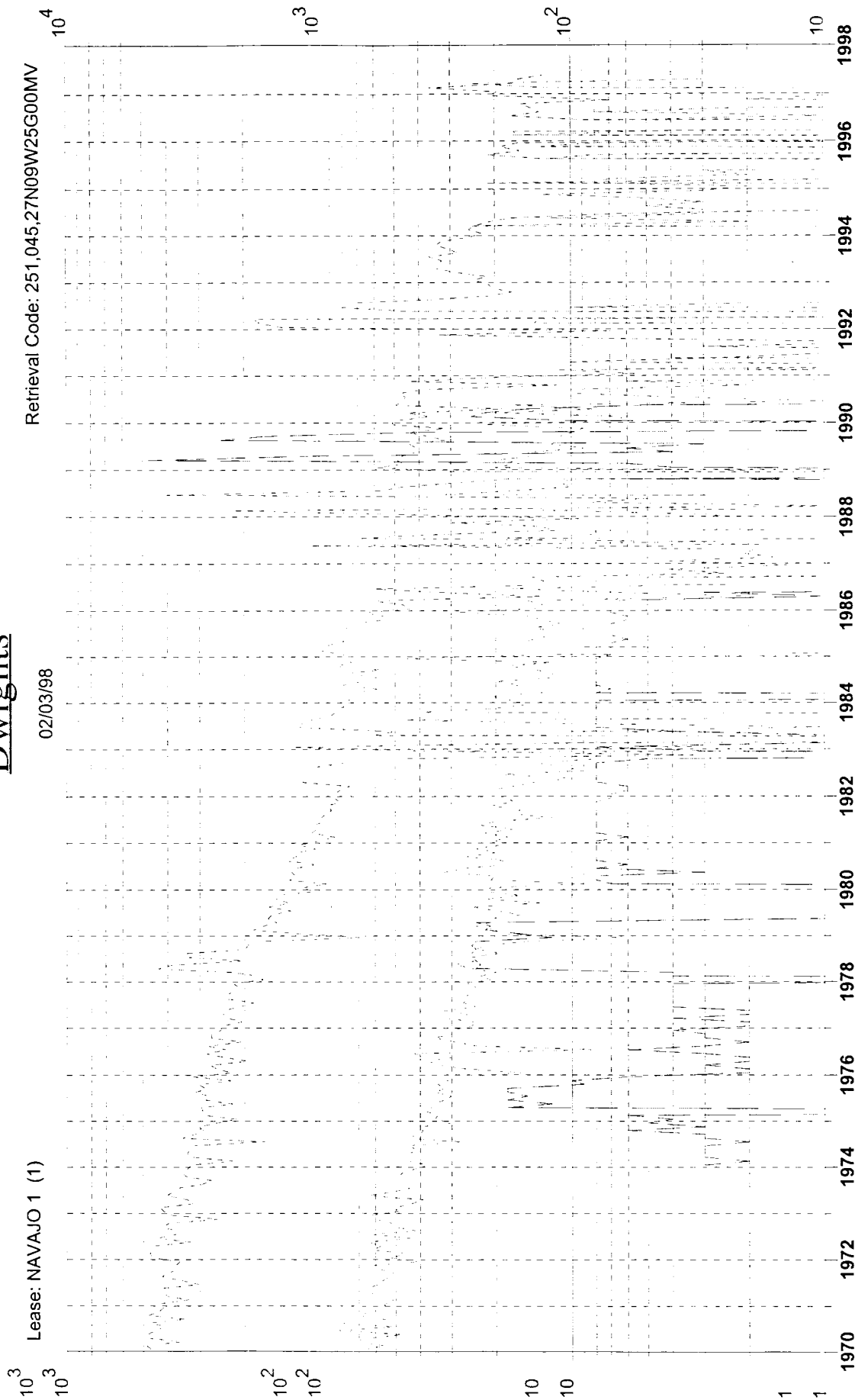
F.P. Date: 03/65
Oil Cum: 10.65 mbbl
Gas Cum: 1377 mmcf
Location: 25G 27N 9W

Dwights

Lease: NAVAJO 1 (1)

02/03/98

Retrieval Code: 251,045,27N09W25G00MV



Water (bbl/mo)

Oil (bbl/mo)

Gas (mcf/mo)

F.P. Date: 06/65

County: SAN JUAN, NM

Oil Cum: 13.33 mbbl

Field: BLANCO (MESAVERDE) MV

Gas Cum: 820.2 mmcf

Reservoir: MESAVERDE

Location: 25G 27N 9W

Operator: TAURUS EXPLORATION USA, I

Taurus Exploration U.S.A., Inc

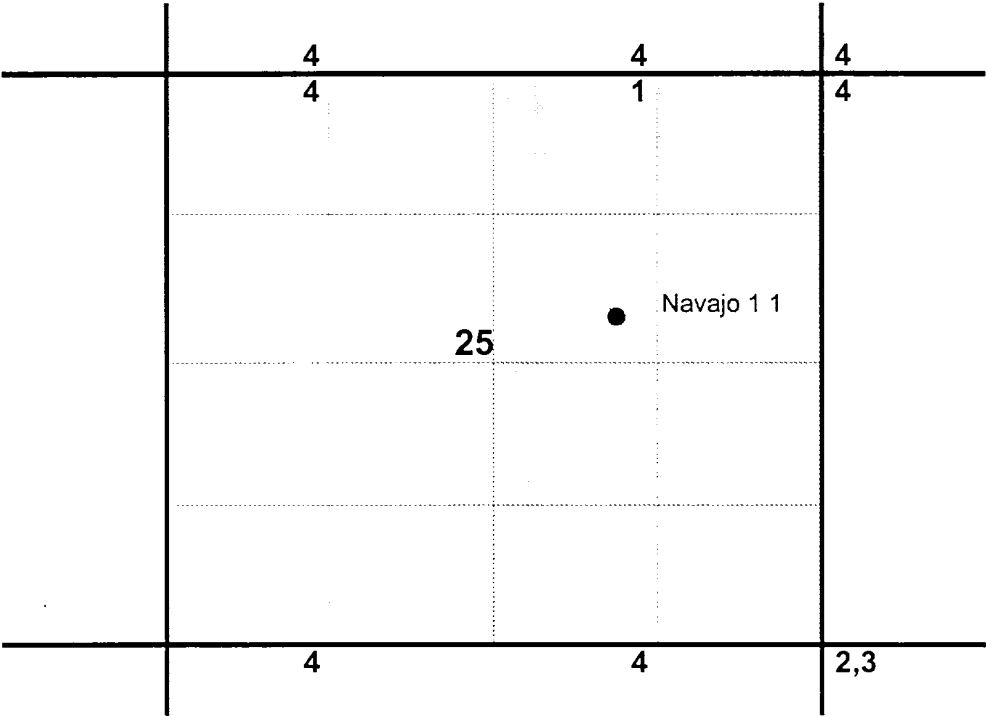
Navajo 1 #1

Offset Operator / Ownership Plat

Blanco Mesa Verde/ Basin Dakota

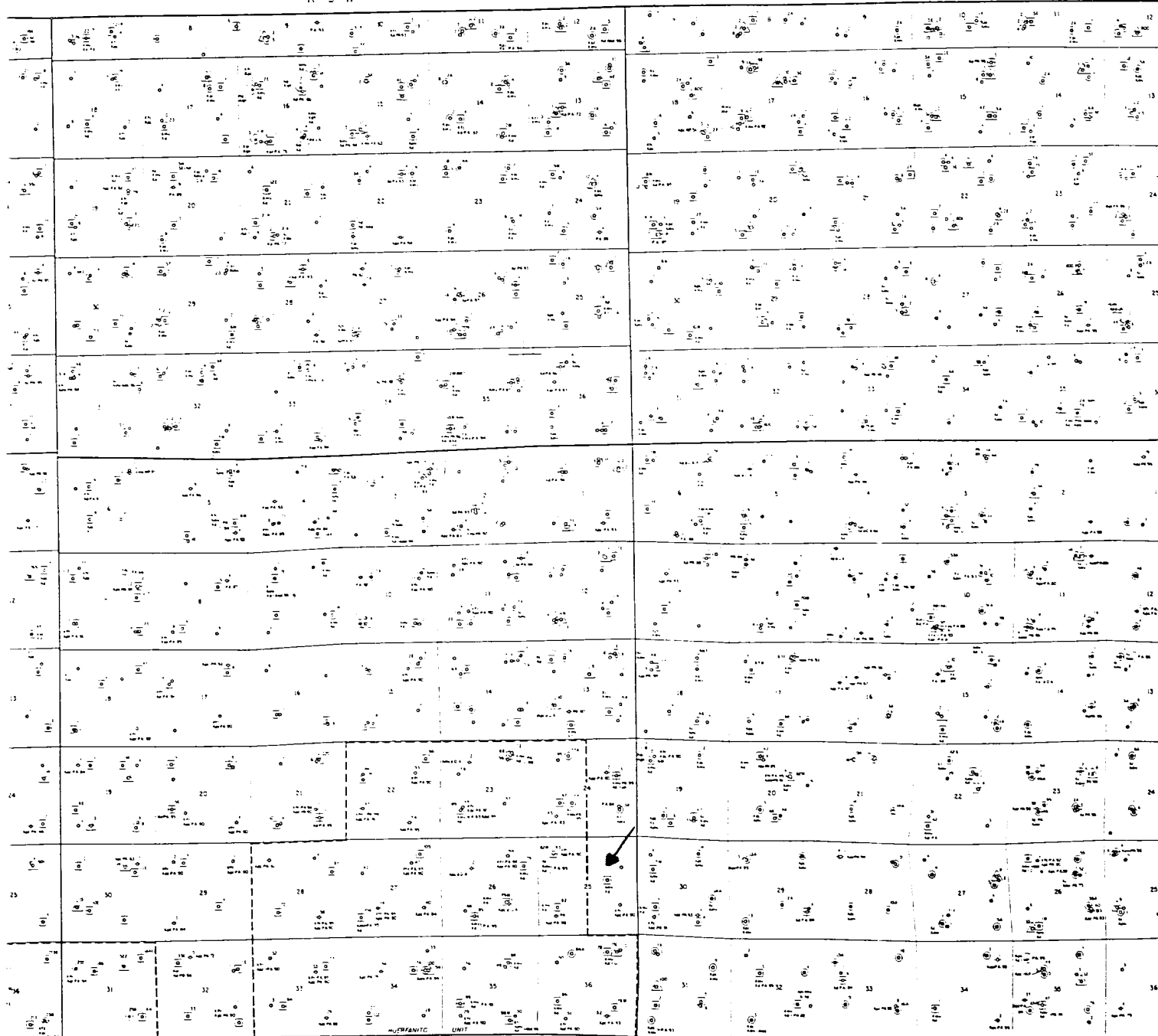
Downhole Commingling

Township 27 N, Range 9 W



- 1) Taurus Exploration U.S.A., Inc
- 2) Conoco
10 Desta Dr. Suite 100 W
Midland, Tx. 79705
- 3) Chateau Oil and Gas, Inc.
5802 Highway 64
Farmington, N.M. 87401
- 4) Burlington Resources
P.O. Box 4289
Farmington, N.M. 87499-4289

R-8-W



R - 8 - W

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Taurus Exploration U.S.A., Inc.
Well Location Plat
Navajo 1 #1
Unit G, Section 25, T 27 N, R 9 W
San Juan Co., N.M.