

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 875054-6429Form C-107-A
New 3-12-96

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Taurus Exploration U.S.A., Inc.

2198 Bloomfield Highway, Farmington, New Mexico 87401

Operator

Address

Carson

#3

N

30

T30N

R4W

Rio Arriba, N.M.

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

OGRID NO. 162928

Property Code 006897

API NO. 30-039-22286

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	E. Blanco Pictured Cliff 72400		Blanco Mesa Verde 72319
2. Top and Bottom of Pay Section (Perforations)	4108-4396		6293-6800
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure	a. (Current) 650 Calc.	a.	a. 532 Calc.
Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	b. (Original) 1399 Calc.	b.	b. 953 Calc.
6. Oil Gravity (^o API) or Gas BTU Content)	1085 BTU		1060 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	Date: Rates:	Date: Rates:	Date: Rates:
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data			
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 2/11/98 Rates: 40 MCF/D	Date: Rates:	Date: 2/18/98 Rates: 146 MCF/D
8. Fixed Percentage Allocation Formula - % for each zone	Oil: Gas: See attached allocations	Oil: Gas: %	Oil: Gas: %

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 ☐ No11. 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 ☐ No13. 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 4/1/98TYPE OR PRINT NAME Gary W. Brink TELEPHONE NO. (505) 325-6800

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised October 18, 1994

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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 30-039-22286	² Pool Code 72400/72319	³ Pool Name East Blanco Picture Cliffs/Blanco Mesa Verde
⁴ Property Code 006897	⁵ Property Name Carson	⁶ Well Number 3
⁷ OGRID No. 162928	⁸ Operator Name Taurus Exploration, U.S.A., Inc.	⁹ Elevation

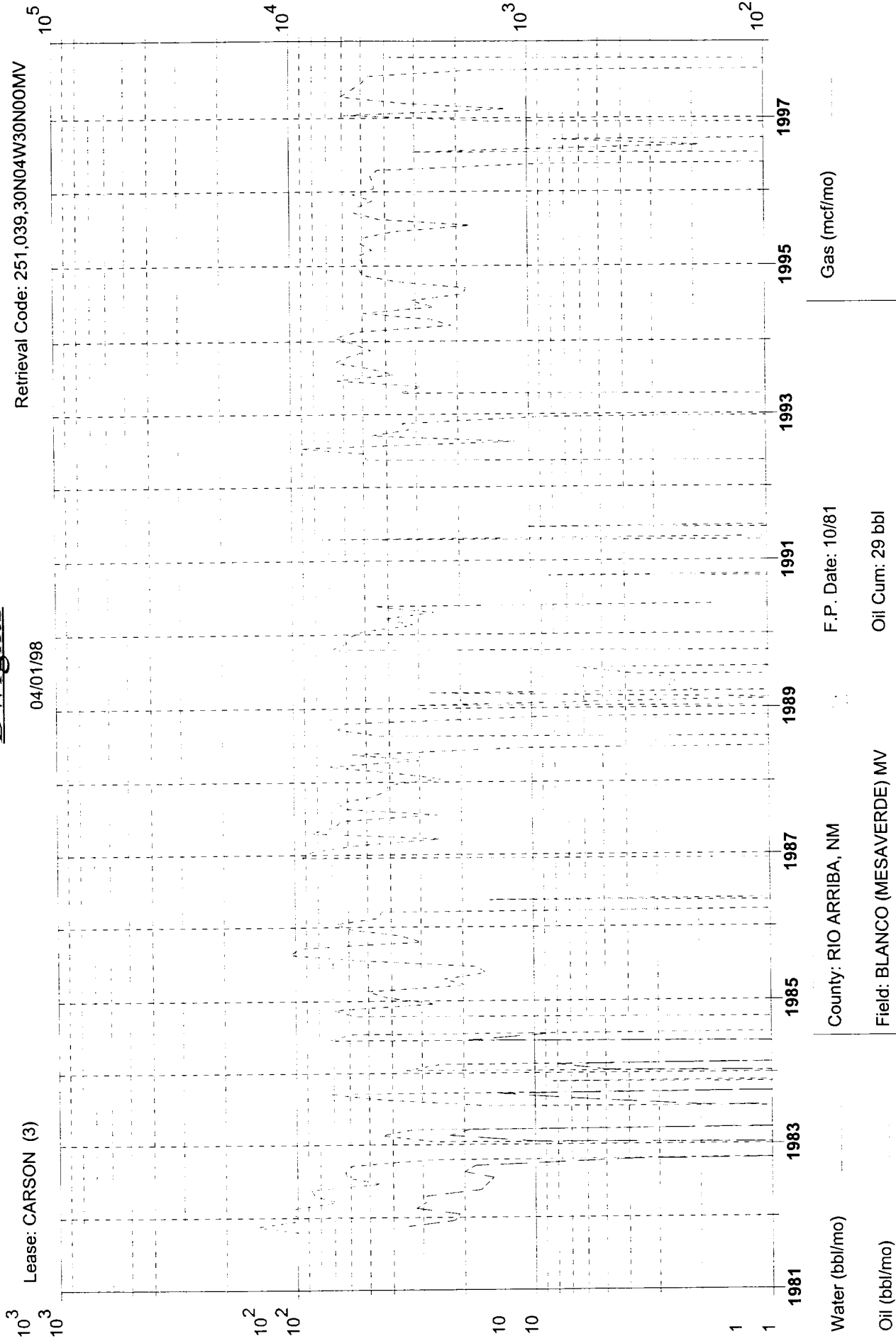
¹⁰ Surface Location									
UL or lot no. N	Section 30	Township 30N	Range 4W	Lot. Idn	Feet from the 840	North/South Line South	Feet from the 995	East/West line West	County Rio Arriba

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
¹² Dedicated Acres 110.13/220.12									
¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Gary W. Brink Printed Name Production Superintendent Title 4/1/98 Date
	¹⁸ SURVEYOR CERTIFICATION 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. July 11, 1979 Date of Survey Signature and Seal of Professional Surveyer: Reissue of Original Survey by Fred B. Kerr 3950 Certificate Number

Dwights



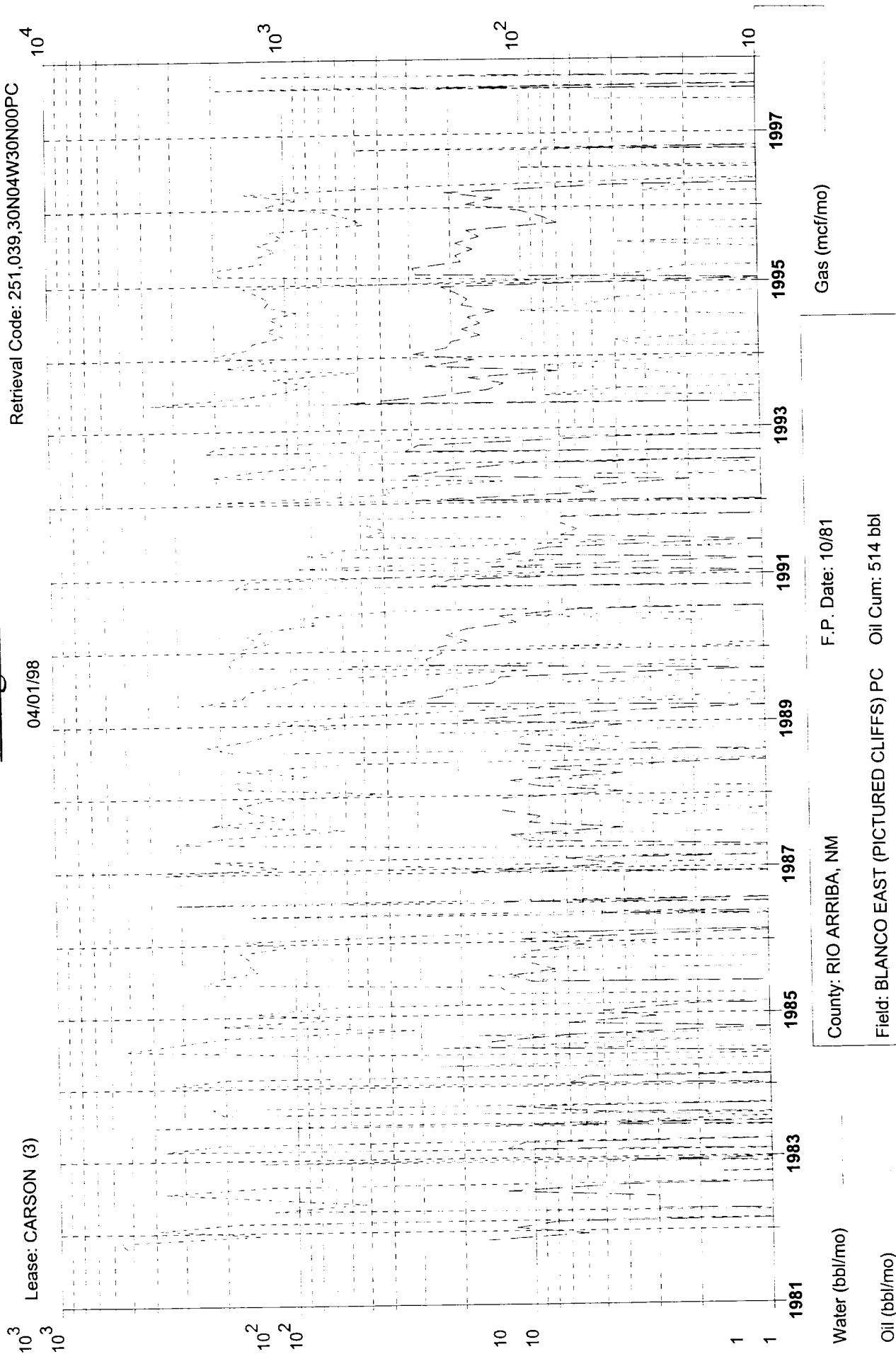
County: RIO ARRIBA, NM F.P. Date: 10/81
Field: BLANCO (MESAVERDE) MV Oil Cum: 29 bbl
Reservoir: MESAVERDE Gas Cum: 643.4 mmcf
Operator TAURUS EXPLORATION U.S.A. Location: 30N 30N 4W

Dwights

10³ Lease: CARSON (3)

04/01/98

Retrieval Code: 251,039,30N04W30N00PC



County: RIO ARRIBA, NM
F.P. Date: 10/81
Field: BLANCO EAST (PICTURED CLIFFS) PC
Oil Cum: 514 bbl
Reservoir: PICTURED CLIFFS
Gas Cum: 205.4 mmcf
Location: 30N 30N 4W
Operator TAURUS EXPLORATION U.S.A.

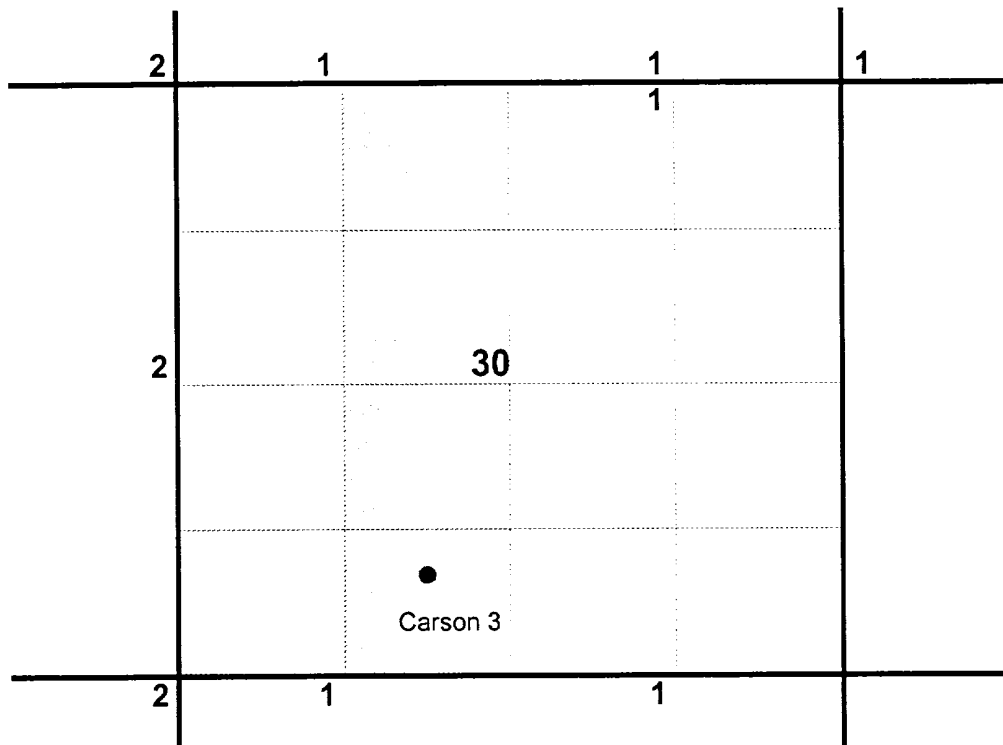
Taurus Exploration U.S.A., Inc

Carson #3

Offset Operator / Ownership Plat

E. Blanco Pictured Cliffs/ Blanco Mesa Verde
Downhole Commingling

Township 30 N, Range 4 W



- 1) Taurus Exploration U.S.A., Inc
- 2) Phillips Petroleum
5525 Hwy. 64
Farmington, N.M. 87401

Taurus Exploration U.S.A., Inc.

Well Location Plat

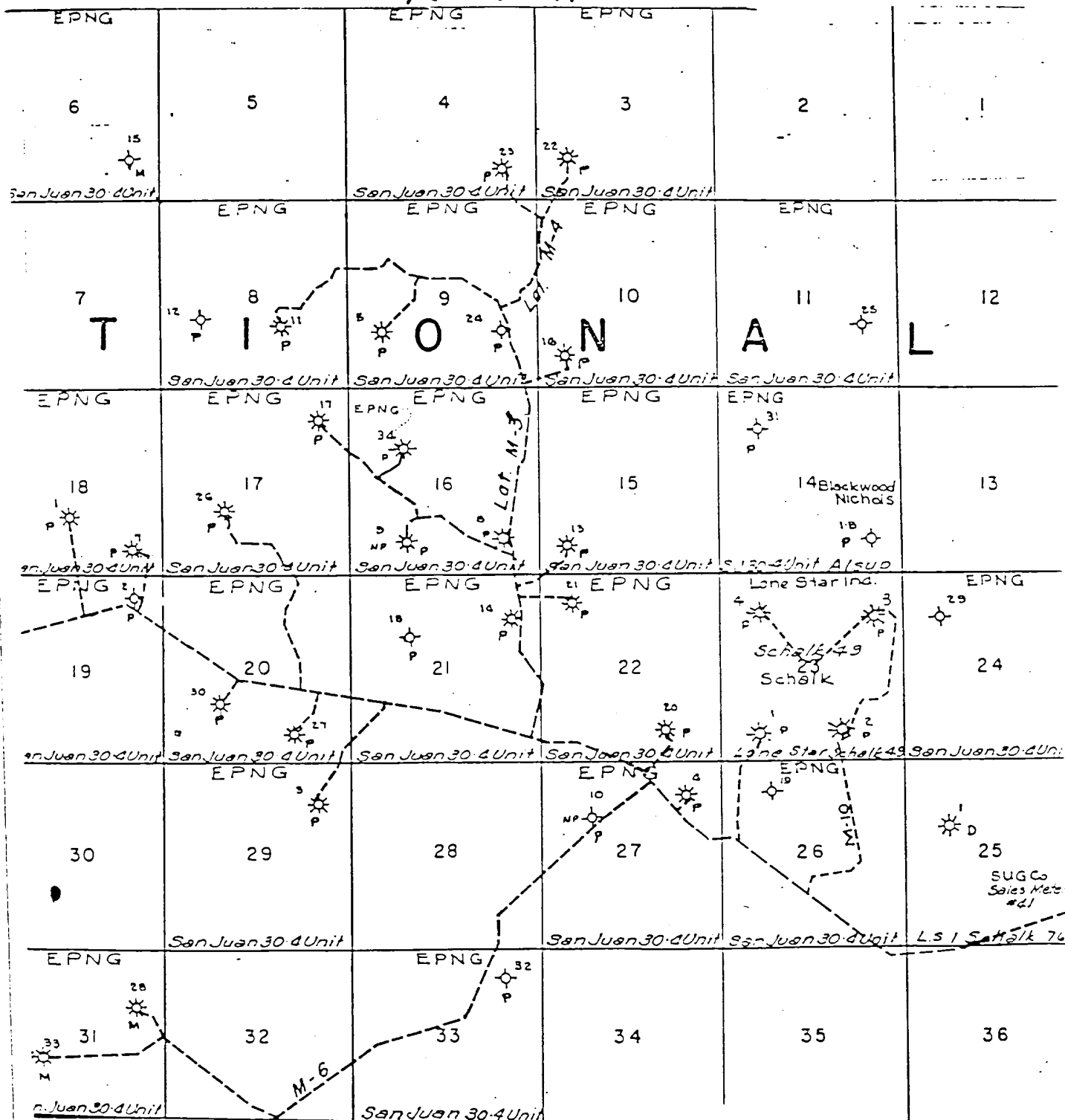
Carson #3

Unit N, Section 30, T 30 N, R 4 W

Rio Arriba Co., N.M.

R-4-W

T
30
N



Carson #3

Proposed Allocation Method

Produce total well stream for 30 days following upper Mesa Verde pay add
Pay Add projected to add 70 MCFD to Mesa Verde flow stream

Total Stream = X

Pictured Cliffs rate = 40 MCFD

PC Allocation = $40 / X$ as a percentage

MV Allocation = $(X - 40) / X$ as a percentage

Oil Allocation = 100 % to Pictured Cliffs Zone

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