

Taurus Exploration U.S.A., Inc.

2198 Bloomfield Highway, Farmington New Mexico

Operator

Address

Reid B

1E

I

Sec. 31 T29N

R10W

San Juan

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

GRID NO. 162928

Property Code 007418

API NO. 30-045-24361

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	Otero Chacra 82329		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	2788-2899		6213-6361
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure	a. (Current) 316 Calc.	a.	a. 544 Measured
Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	b. (Original) 1023 Calc.	b. <div>RECEIVED JAN 12 1998 OIL CON. DIV. DIST. 3</div>	b. 1222 Calc.
6. Oil Gravity (°API) or Gas BTU Content)	1146		1314
7. Producing or Shut-In?	Producing		Shut-in-logged off
Production Marginal? (yes or no)	yes		yes
* 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: 10/30/97 Rates: 0-20-0	Date: Rates:	Date: 4/15/97 Rates: 0-30-.25
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0% Gas: 40%	Oil: % Gas: %	Oil: 100% Gas: 60%

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.

0. Are all working, overriding, and royalty interests identical in all commingled zones?

If not, have all working, overriding, and royalty interests been notified by certified mail?

Have all offset operators been given written notice of the proposed downhole commingling?

☒ Yes ☐ No

☒ Yes ☐ No

☒ Yes ☐ No

1. 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)

2. Are all produced fluids from all commingled zones compatible with each other?

☒ Yes ☐ No

3. Will the value of production be decreased by commingling?

☐ Yes ☒ No (If Yes, attach explanation)

4. 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

5. NMOC Reference Cases for Rule 303(D) Exceptions:

ORDER NO(S).

6. 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.

Dwights

Lease: REID B (1E)

Retrieval Code: 251,045,29N10W3100DK

01/06/98

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10³
10³

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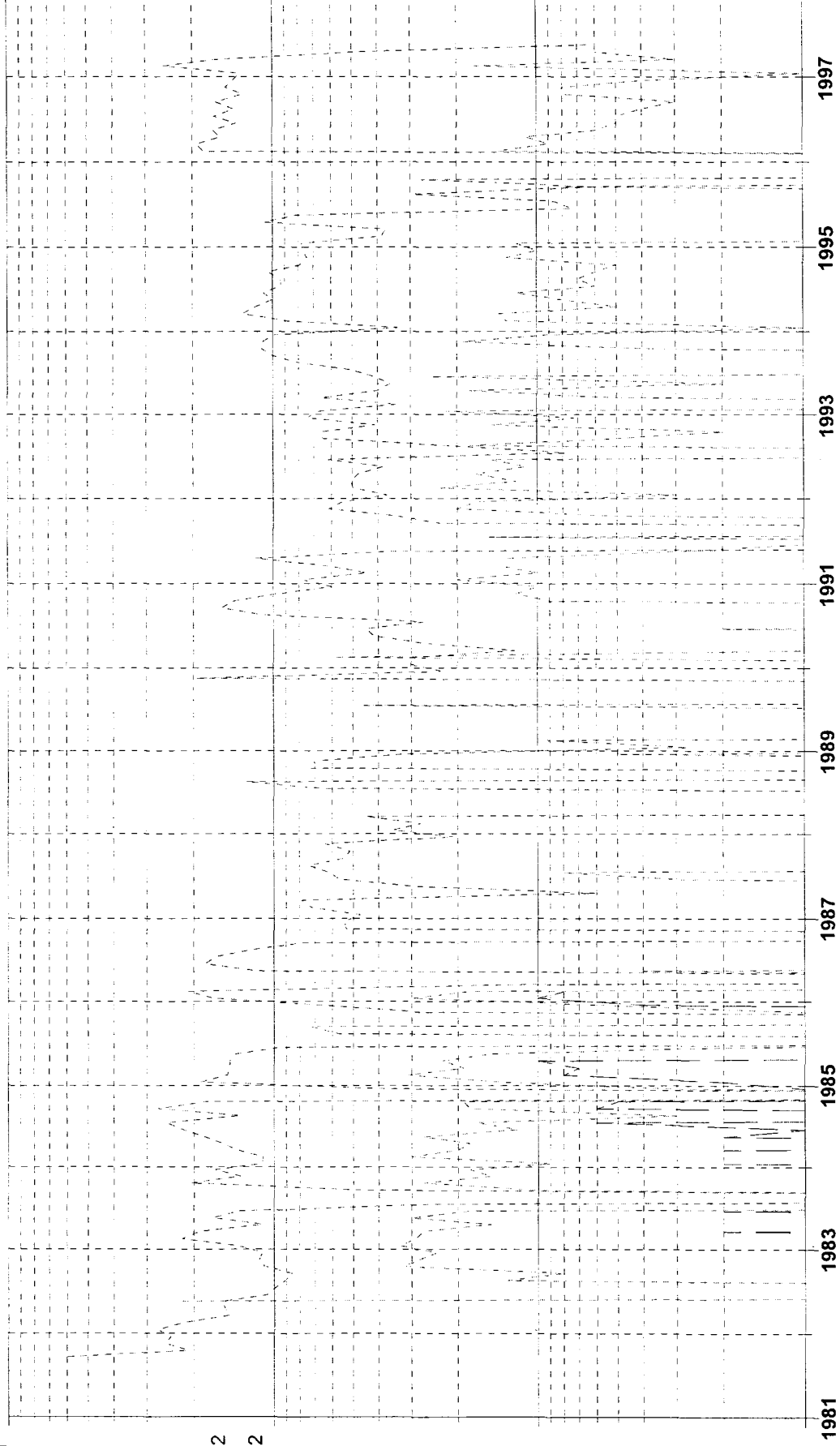
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Water (bbl/mo)

Oil (bbl/mo)

Gas (mcf/mo)

County: SAN JUAN, NM	F.P. Date: 09/81
Field: BASIN (DAKOTA) DK	Oil Cum: 1557 bbl
Reservoir: DAKOTA	Gas Cum: 164.6 mmcf
Operator TAURUS EXPLORATION USA, I	Location: 31N 29N 10W

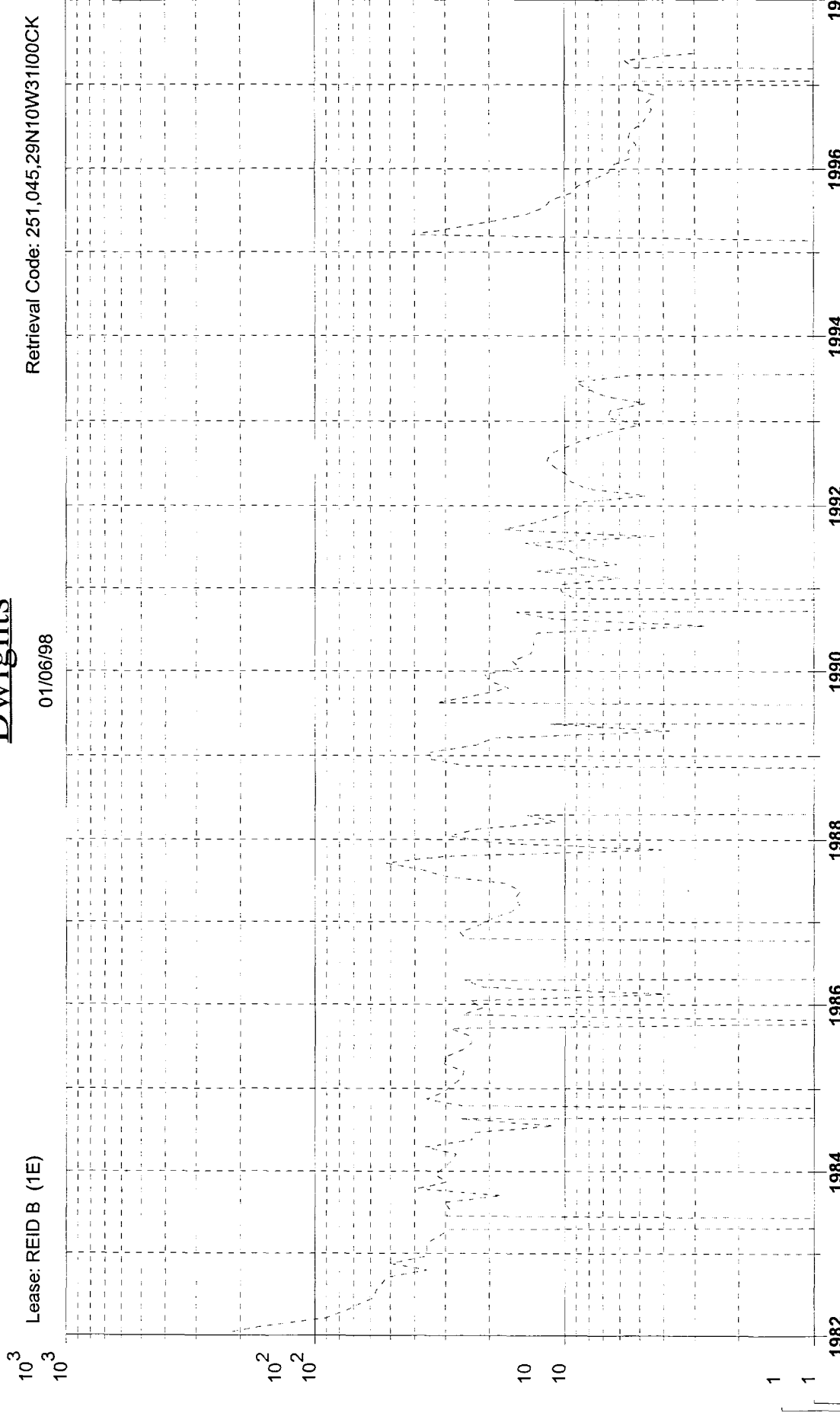


Dwights

Lease: REID B (1E)

Retrieval Code: 251,045,29N10W3100CK

01/06/98



F.P. Date: 01/82

County: SAN JUAN, NM

Field: OTERO (CHACRA) CK

Oil Cum: 0 bbl

Gas Cum: 327.5 mmcf

Reservoir: CHACRA

Operator TAURUS EXPLORATION USA, I

Location: 31N 29N 10W

Taurus Exploration U.S.A., Inc

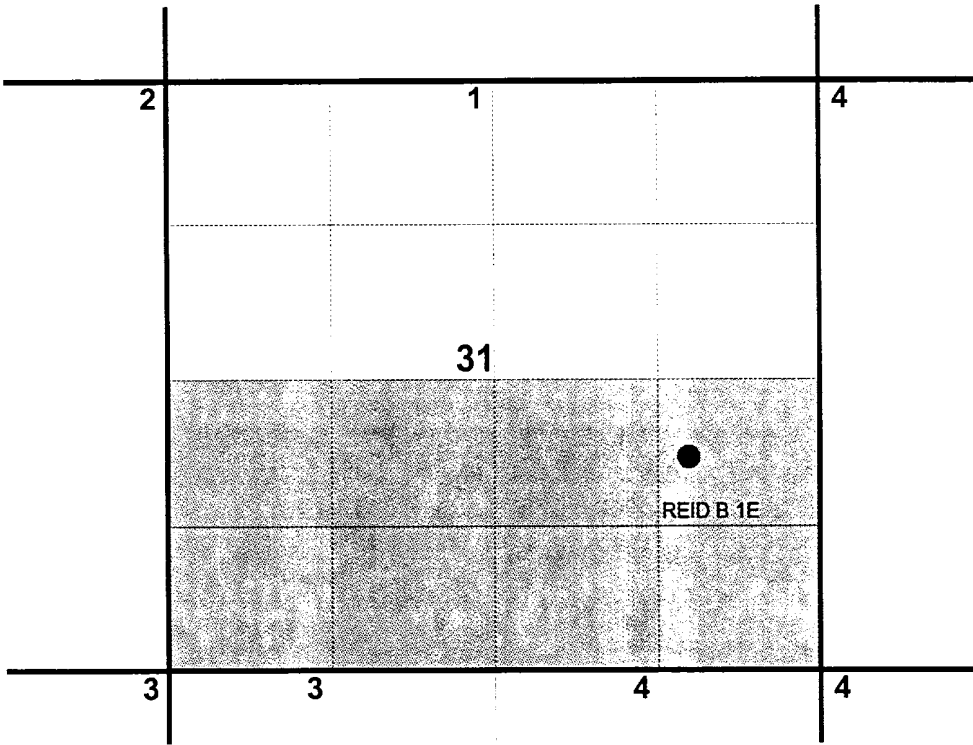
REID B#1E

Offset Operator / Ownership Plat

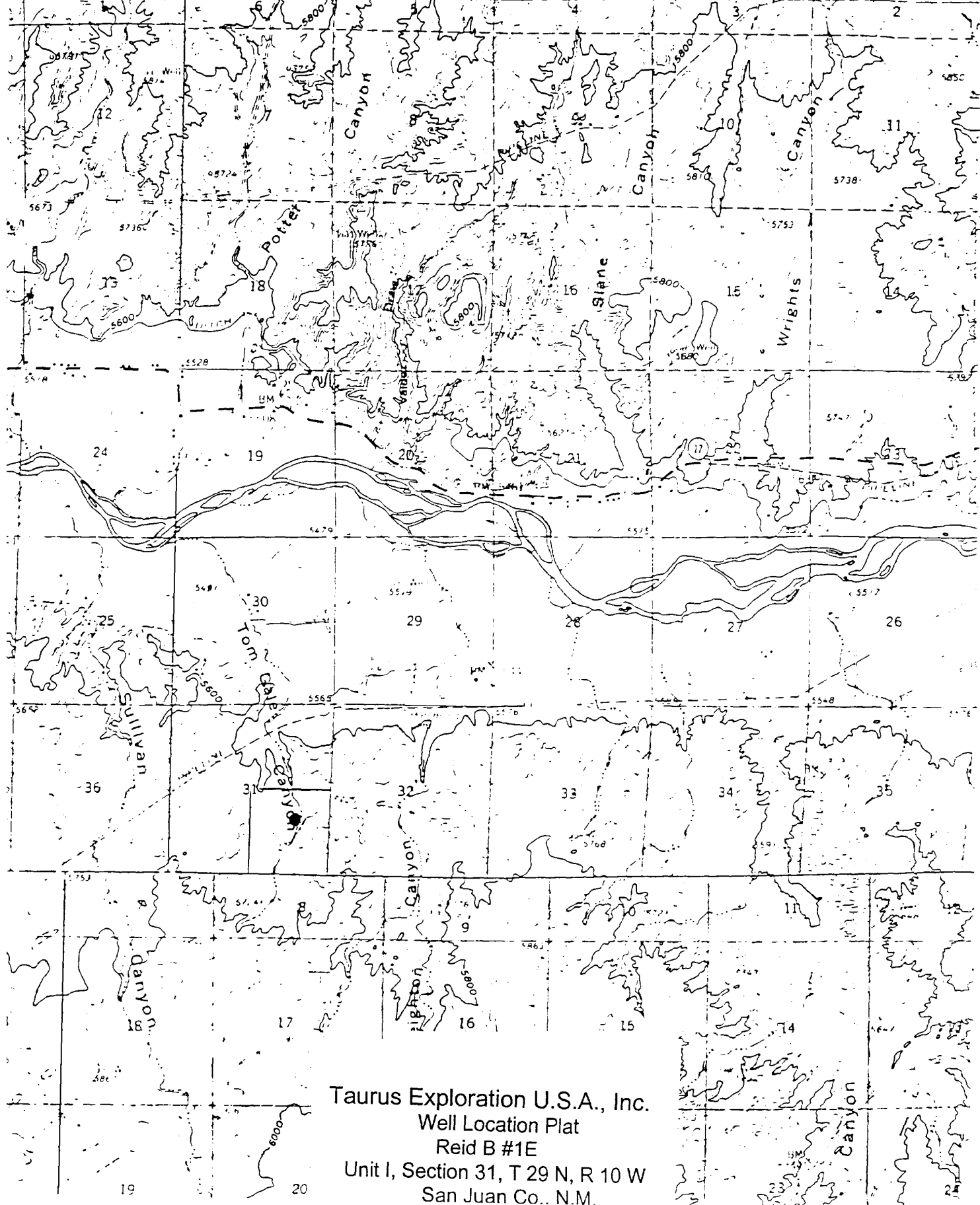
Otero Chacra/ Basin Dakota

Downhole Commingling

Township 29 N, Range 10 W



- 1) Burlington Resources
P.O. Box 4289
Farmington, N.M. 87499-4289
- 2) Conoco
10 Desta Dr. Suite 100 W
Midland, Tx. 79705
- 3) Cross Timbers
6001 U.S. Hwy 64
Farmington, N.M. 87401
- 4) Four Star Oil & Gas
P.O. Box 3109
Midland, Tx. 79702



Taurus Exploration U.S.A., Inc.
Well Location Plat
Reid B #1E
Unit I, Section 31, T 29 N, R 10 W
San Juan Co., N.M.