

April 20, 1998

RECEIVED  
MAY - 1 1998

OIL CON. DIV.  
DIST. 3

Taurus Exploration U.S.A., Inc.  
2198 Bloomfield Highway  
Farmington, New Mexico 87401  
Attention: Richard P. Corcoran

*Administrative Order NSL-4011*

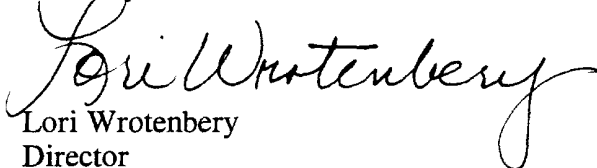
Dear Mr. Corcoran:

Reference is made to your application dated April 8, 1998, for an unorthodox gas well location in both the Blanco-Mesaverde and Basin-Dakota Pools for your proposed San Juan "32-5" Unit Well No. 13-M to be drilled 1711 feet from the South line and 1295 feet from the East line (Unit I) of Section 25, Township 32 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

The E/2 of said Section 25 is to be dedicated to said well in order to form a standard 320-acre gas spacing and proration unit for both intervals.

By the authority granted me under the provisions of Rule 2(d) of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blanco-Mesaverde Pool/Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by Division Order No. R-8170, as amended, the above-described unorthodox gas well location in both the Blanco-Mesaverde and Basin-Dakota Pools for the San Juan "32-5" Unit Well No. 13-M is hereby approved.

Sincerely,

  
Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec /  
U. S. Bureau of Land Management - Farmington

## DISTRICT II

811 S. First St., Artesia, NM 88210-2835

## DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410-1693

## 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, New Mexico 87401

Operator

Address

San Juan 32-5

13M

I

Sec. 25 T32N

R6W

Rio Arriba

Lease

Well No.

Unit Ltr - Sec - Twp - Rge

County

OGRID NO. 16928

Property Code

API NO

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)	4538-5940		7981-8130
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure	a. (Current)		a.
Oil Zones - Artificial Lift:	Not drilled yet		Not drilled yet
Gas & Oil - Flowing: Estimated Current			
Measured Current			
All Gas Zones: Estimated Or Measured Original	b. (Original)		b.
	1200		1800
6. Oil Gravity ( <sup>o</sup> API) or Gas BTU Content)	1000		974
7. Producing or Shut-In?	Not yet complete		Not yet completed
Production Marginal? (yes or no)	Yes (dual uneconomical)		Yes (dual uneconomical)
* If Shut-In, give date and oil/gas/water rates of last production	Date: n/a	Date:	Date: n/a
	Rates:	Rates:	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: n/a	Date:	Date: n/a
	Rates:	Rates:	Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % Gas: %	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?

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 ☐ 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 ☐ No

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

☐ Yes ☒ No (If Yes, attach explanation)14. If this well in on, or communized 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. NMOCD Reference Cases for Rule 303(D) Exceptions:

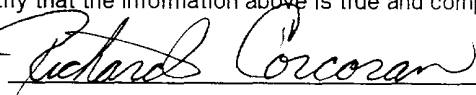
ORDER NO(S) \_\_\_\_\_

## 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



TITLE District Landman

DATE 4/29/98

TYPE OR PRINT NAME Richard P. Corcoran

TELEPHONE NO. ( 505 ) 325-6800

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Huerfano 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

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

<sup>1</sup> APT Number	<sup>2</sup> Pool Code 72319/71599	<sup>3</sup> Pool Name Blanco Mesa Verde/Basin Dakota
<sup>4</sup> Property Code	<sup>5</sup> Property Name SAN JUAN 32-5 UNIT	<sup>6</sup> Well Number 13M
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name TAURUS EXPLORATION U.S.A., Inc.	<sup>9</sup> Elevation 6494

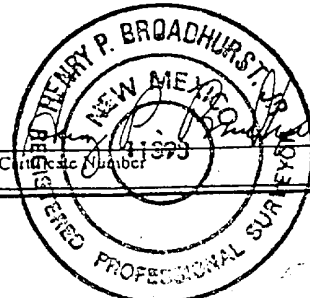
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	25	32N	6W		1711	SOUTH	1295	EAST	RIO ARriba

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<sup>16</sup> S 88-34 W 2638.68'  <b>RECEIVED</b> MAY 29 1998 OIL CON. DIV. DIST. 3	SEC. 25	S 89-21 W 2656.50'  N 01-01 W 2790.96'  N 00-17 W 2668.38'	1295'  1711'	<sup>17</sup> 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 Date
				<sup>18</sup> 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.  3/25/98 Date of Survey Signature and Seal of Professional Surveyer:  

N 89-42 W  
5415.96'

# Taurus Exploration U. S. A., Inc.

San Juan 32-5 Unit 13M  
OFFSET OPERATOR \ OWNER PLAT

Commingle Dakota \ Mesa Verde Formations

Township 32 North - Range 6 West

1

1

1

1

25

1

O ←

1295' FEL  
1711' FSL

2

2

1

Exploration U S A , Inc.  
Production Company

TAURUS EXPLORATION  
SAN JUAN 32-5 UNIT #13M  
NE/4 SE/4 SEC.25, T.32 N., R.6 W., N.M.P.M.,  
RIO ARRIBA COUNTY, NEW MEXICO.

