

10/14/97	11/3/97	DC	RN	DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -

1717

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

RECEIVED

OCT 14 1997

Oil Conservation Division

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling  
 NSL  NSP  DD  SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or  Does Not Apply

- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

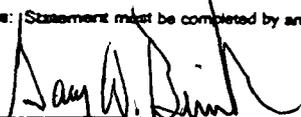
[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Gary W. Brink

Print or Type Name

  
Signature

Production Superintendent

Title

10/10/97

Date

# TAURUS

**TAURUS EXPLORATION USA, INC.**  
2198 Bloomfield Highway  
Farmington, New Mexico 87401  
Telephone (505) 325-6800

October 7, 1997

R. William LeMay  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

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OCT 14 1997

Oil Conservation Division

RE: Administrative Approval to Downhole Commingle  
Taurus Exploration U.S.A., Inc.  
Jicarilla 95 #3  
990 FSL, 990 FWL, Sec. 35, T27N, R3W NMPM  
Rio Arriba County, New Mexico

Dear Mr. LeMay:

Taurus Exploration U.S.A., Inc. requests administrative approval for downhole commingling the Gavilan Pictured Cliffs and Blanco Mesa Verde pools in the subject well. This well is currently producing as a Pictured Cliffs/Mesa Verde dual.

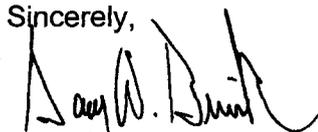
To comply with NMOCD Rules, Taurus Exploration U.S.A., Inc. is submitting the following for your approval of the commingling:

1. Form C107A - Application for Downhole Commingling
2. C-102 Location Plat showing each spacing unit and dedicated acreage
3. Production curves for both the Pictured Cliffs and Mesa Verde
4. Offset operators plat
5. Well location plat.

In accordance to New Mexico Oil Conservation Division Rule 303C, all offset operators are being notified of this application by certified mail. As an offset operator, if you have not objection to this application, you do not have to respond to this notification.

If additional information is required, please let me know.

Sincerely,



Gary W. Brink  
Production Superintendent

cc: NMOCD - Aztec  
BLM - Farmington  
Offset Operators

**DISTRICT I**  
 P. O. Box 1980, Hobbs, NM 88241-1980

**DISTRICT II**  
 811 South First St., Artesa, 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 87505-6429

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

APPROVAL PROCESS:  
 Administrative  Hearing

EXISTING WELLBORE  
 YES  NO

**APPLICATION FOR DOWNHOLE COMMINGLING**

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

Jicarilla 95 3 M 35-27N-3W Rio Arriba County, NM

Lease Well No. Unit Ltr. - Sec. - Twp. - Rge. County

OGRID NO. 162928 Property Code 71337108 API NO. 30-39-679400 Spacing Unit Lease Types: (check 1 or more)  
 Federal  State  Land/Orl Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Gavilan Pictured Cliff 77360		Blanco Mesa Verde 72319
2. Top and Bottom of Pay Section (Perforations)	3804-3885		5657-6126
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: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 425 EST.	a.	a. 526 EST
	b. (Original) 1475	b.	b. 2047
6. Oil Gravity (°API) or Gas BTU Content			62°
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  * If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: Rates:
	Date: 5/97 Rates: 0-40-0	Date: Rates:	Date: 5/97 Rates: 0-160-0
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0 % Gas: 20 %	Oil: % Gas: %	Oil: 100 % Gas: 80 %

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 is 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. 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 Gary W. Brink TITLE Prod. Superintendent DATE 10/9/97

TYPE OR PRINT NAME Gary W. Brink 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 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

<sup>1</sup> API Number 30-0-679400	<sup>2</sup> Pool Code 77360/72319	<sup>3</sup> Pool Name Gavilan Pictured Cliffs/Blanco Mesa Verde
<sup>4</sup> Property Code 71337108	<sup>5</sup> Property Name Jicarilla 95	
<sup>7</sup> OGRID No. 162928	<sup>6</sup> Operator Name Taurus Exploration U.S.A., Inc.	<sup>8</sup> Well Number #3
		<sup>9</sup> Elevation 7183'

<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
M	35	27N	3W		990	S	990	W	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 160/320	<sup>13</sup> Joint or Infill Y	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

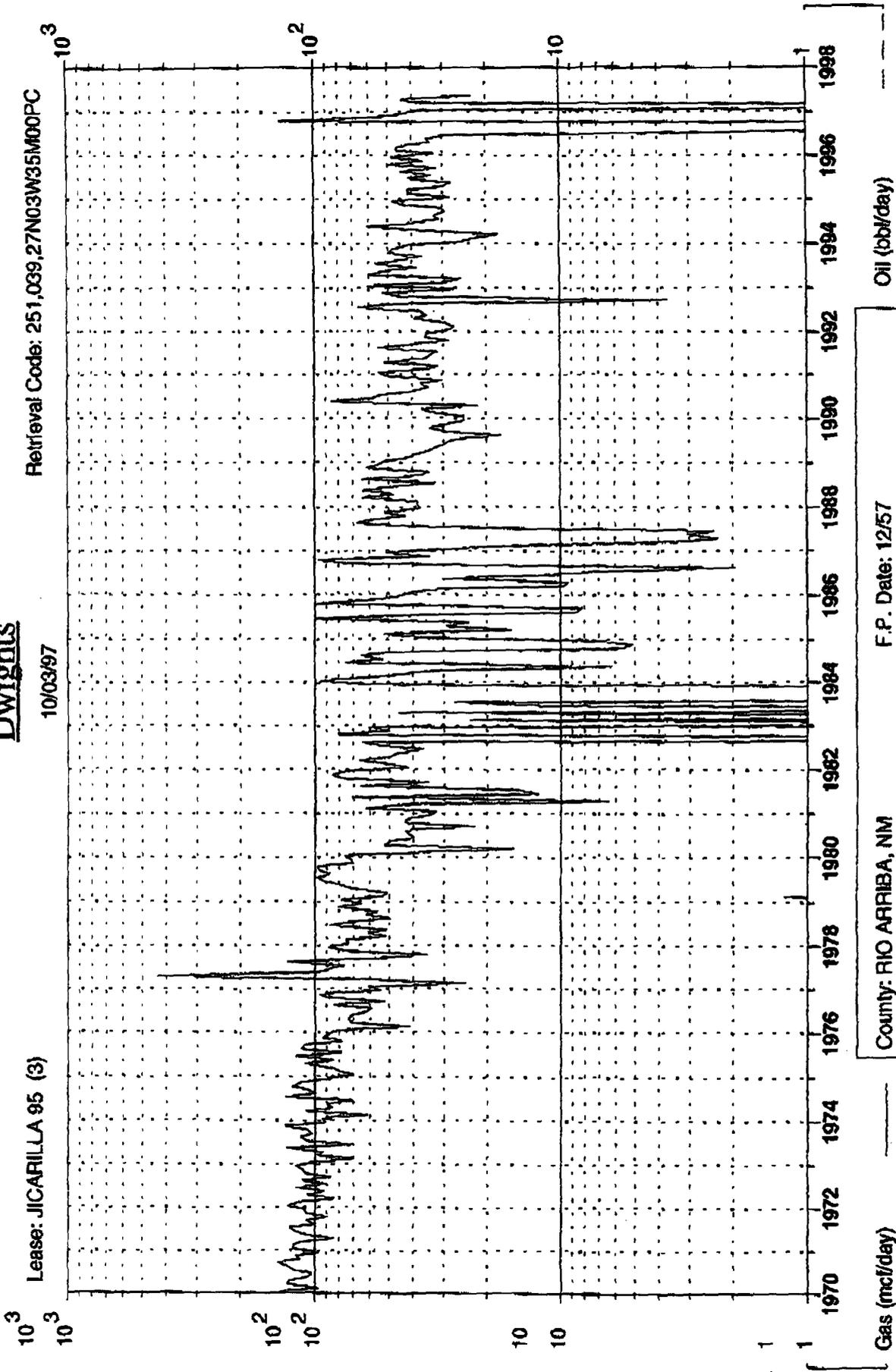
	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p><i>Gary A. Brink</i>        Signature        Gary Brink        Printed Name        Production Superintendent        Title        Date 10/10/97</p>
	<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p><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>March 18, 1957        Date of Survey        Signature and Seal of Professional Surveyer:        Reissue of original survey by Carl E. Turner.        2430        Certificate Number</p>

# Dwights

10/03/97

Lease: JICARILLA 95 (3)

Retrieval Code: 251,039,27N03W35M00PC



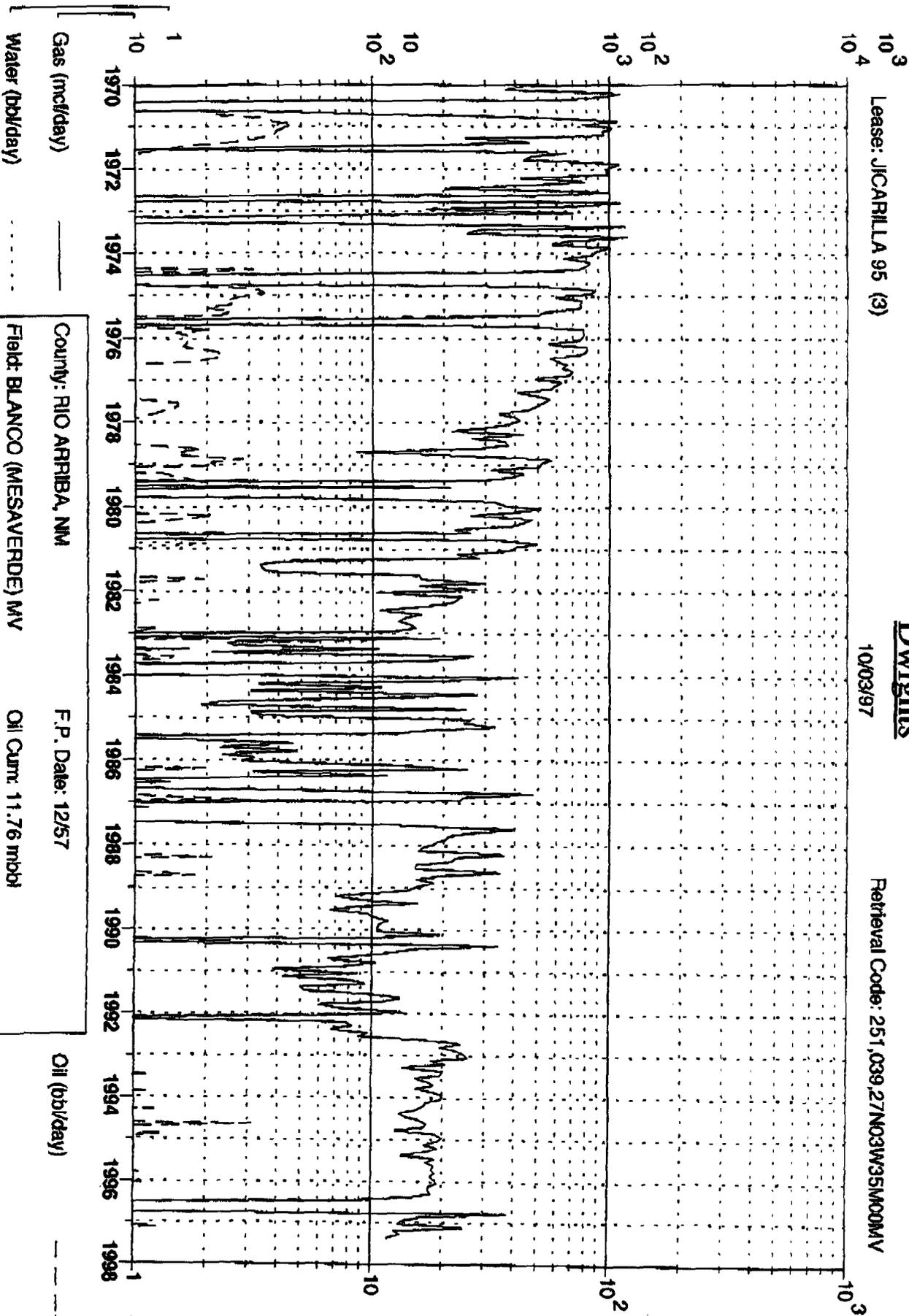
County: RIO ARRIBA, NM	F.P. Date: 12/57
Field: GAVILAN (PICTURED CLIFFS) P	Oil Cum: 1744 bbl
Reservoir: PICTURED CLIFFS	Gas Cum: 1060 mmcf
Operator: BURLINGTON RES O&G CO	Location: 35M 27N 3W

# Dwights

Lease: JICARILLA 95 (3)

10/03/97

Retrieval Code: 251,039,27/NO3W35M00MV



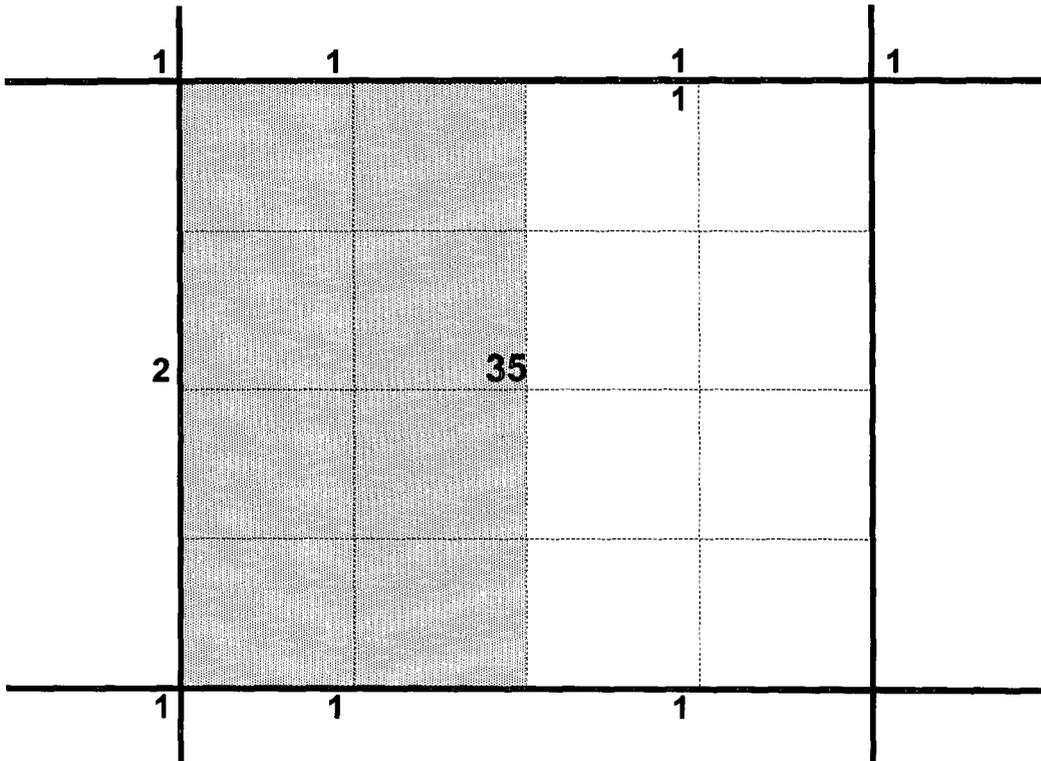
County: RIO ARRIBA, NM	F.P. Date: 12/57
Field: BLANCO (MESAVERDE) MV	Oil Cum: 11.76 mbbbl
Reservoir: MESAVERDE	Gas Cum: 4775 mmcf
Operator: BURLINGTON RES O&G CO	Location: 35M 27N 3W

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

**Jicarilla 95 #3**

**Offset Operator / Ownership Plat**  
Gavilan Pictured Cliffs/ Blanco Mesa Verde  
Downhole Commingling

Township 27 N, Range 3 W



- 1) Taurus Exploration U.S.A., Inc
- 2) Williams Producing Company  
One Williams Center  
P.O. Box 3102 Mailstop 37-3  
Tulsa, Ok. 74172

