

12/9/97	12/29/97	DC	M	DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -

1844

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]

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

[A] Location - Spacing Unit - Directional Drilling

- NSL  NSP  DD  SD

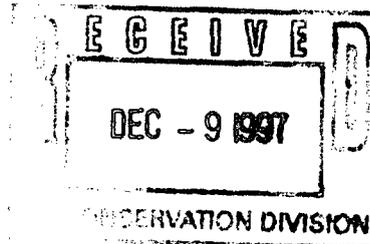
Check One Only for [B] or [C]

[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.

W. Brink  
Name

Signature

Production Superintendent 12/8/97  
Title Date

# TAURUS

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

December 8, 1997

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

RE: Administrative Approval to Downhole Commingle  
Taurus Exploration U.S.A., Inc.  
Wright State Com #1E  
10550' FSL, 790' FEL, Section 36, T32N, R13W NMPM  
San Juan County, New Mexico

Dear Mr. LeMay:

Taurus Exploration U.S.A., Inc. requests administrative approval for downhole commingling the Wildcat Gallup and Basin Dakota pools in the subject well. The well is currently producing as a Gallup/Dakota dual with the Gallup zone loaded up with fluid.

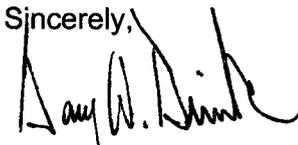
To comply with NMOCD rules, Taurus Exploration U.S.A., Inc. is submitting the following data for your approval of the proposed commingling:

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 Gallup and Dakota
4. Offset operator 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 no objection to this application, you do not have to respond to this notification.

If additional information is needed, please contact me.

Sincerely,



Gary W. Brink  
Production Superintendent

GWB/df  
cc: NMOCD - Aztec  
Offset Operators

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

DISTRICT II  
811 South First St., Artesa, NM 88210-2635

**OIL CONSERVATION DIVISION**

APPROVAL PROCESS:

DISTRICT III  
1000 Rio Brazos Rd, Aztec, NM 87410-1693

2040 S. Pacheco  
Santa Fe, New Mexico 87505-6429

Administrative  Hearing

**APPLICATION FOR DOWNHOLE COMMINGLING**

EXISTING WELLBORE

YES  NO

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

Lease Wright State Com. Well No. 1E Unit Ltr. Sec. Twp. Age I-36-T32N-R13W County San Juan, New Mexico

OGRID NO. 162928 Property Code 007651 API NO. 30-045-25930 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	Wildcat Gallup 96535		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	5810-6315		6680-6907
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) 1216 Calc	a.	a. 696 Calc
	b. (Original) 1788 Calc	b.	b. 2262 Calc
6. Oil Gravity (°API) or Gas BTU Content			
7. Producing or Shut-in?	Shut-in		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: 4/92 Rates: 0-10-0	Date: Rates:	Date: 11/6/97 Rates: 1-72-0
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0% Gas: 12%	Oil: % Gas: %	Oil: 100% Gas: 88%

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)

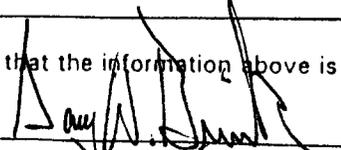
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application.  Yes  No

15. 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  TITLE Production Superintendent Date 12/8/97

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

District I  
 PO Box 1988, Hobbs, NM 88241-1988  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1008 Rio Bravo Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

Form C-10  
 Revised February 21, 1991  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

AFT Number 30-045-25930		Pool Code 96535/71599		Pool Name WC);32N13W36E;Gallup/Basin Dakota	
Property Code 7651		Property Name Wright State Com			Well Number 1E
OGRID No. 162928		Operator Name Taurus Exploration U.S.A., Inc.			Elevation 5780'

10 Surface Location

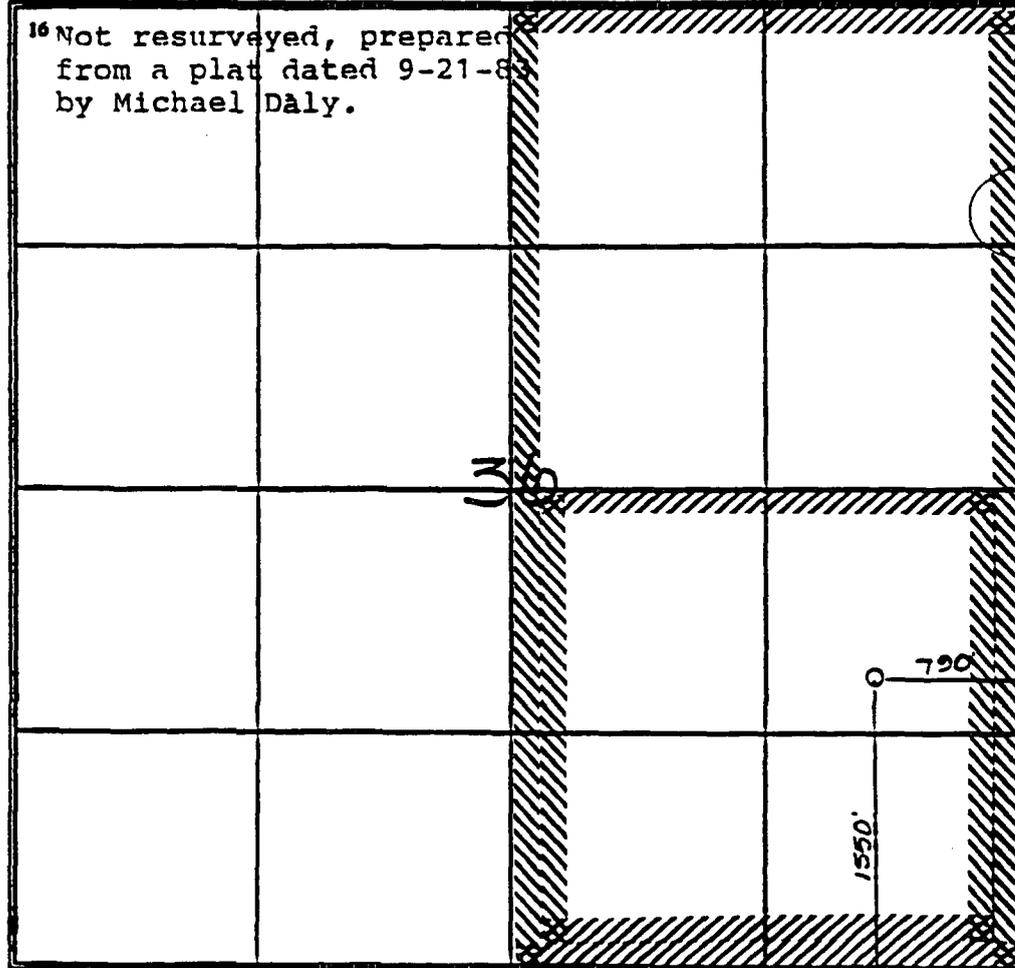
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	36	32 N	13 W		1550	South	790	East	S.J.

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 160-E/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



16 Not resurveyed, prepared from a plat dated 9-21-89 by Michael Daly.

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Peggy Bradford*  
 Signature  
 Peggy Bradford  
 Printed Name  
 Regulatory Administrator  
 Title  
 4-22-96  
 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 or under my supervision, and that the same is true and correct to the best of my belief.

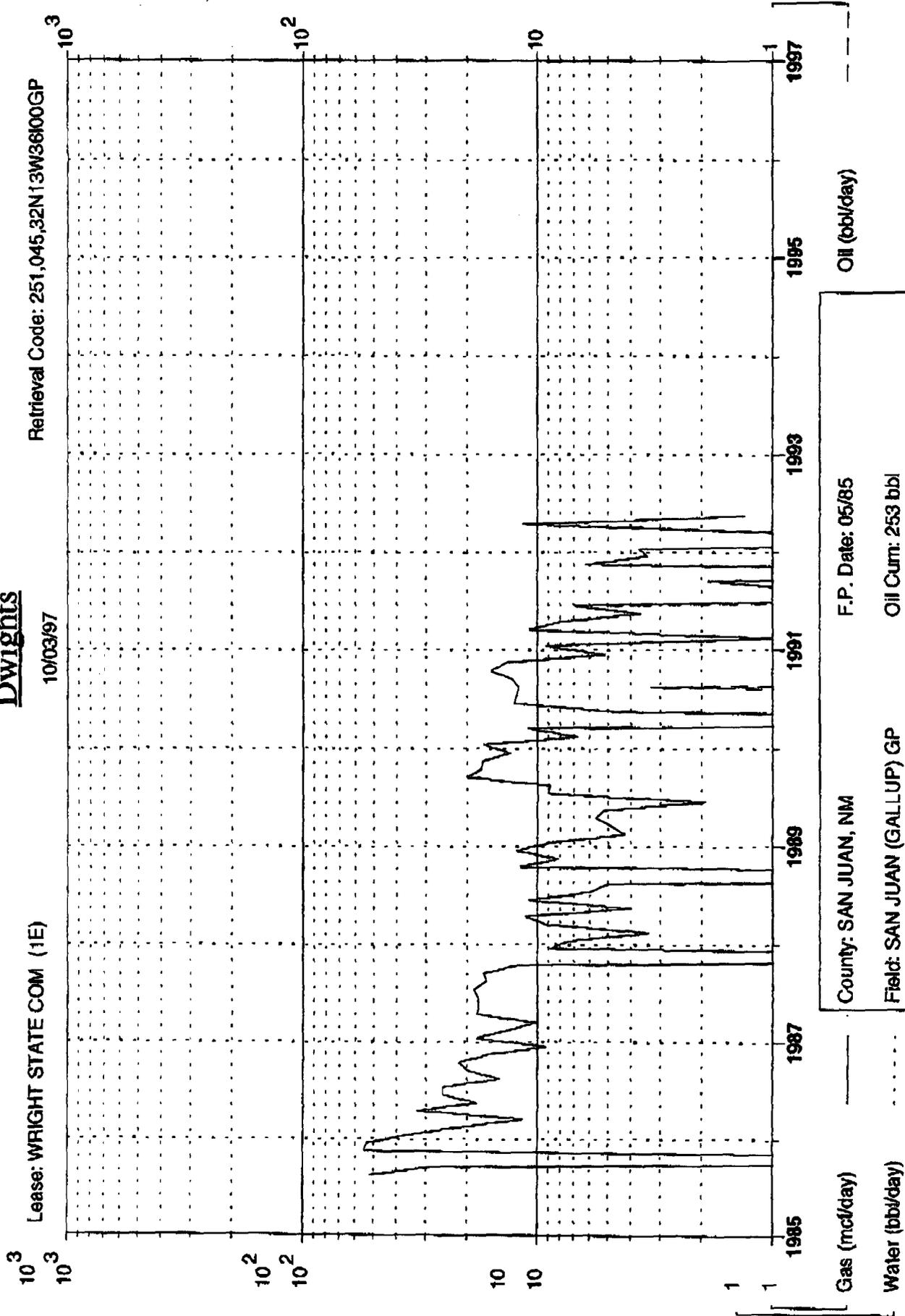
4-16-96  
 Date of Survey  
 Signature and Seal of Professional Surveyor:  
  
 Certificate Number

# Dwights

Lease: WRIGHT STATE COM (1E)

Retrieval Code: 251,045,32N13W36100GP

10/03/97



County: SAN JUAN, NM	F.P. Date: 05/85
Field: SAN JUAN (GALLUP) GP	Oil Cum: 253 bbl
Reservoir: GALLUP	Gas Cum: 30.63 mmcf
Operator: BURLINGTON RES O&G CO	Location: 361 32N 13W

Oil (bbl/day)

Gas (mcf/day)

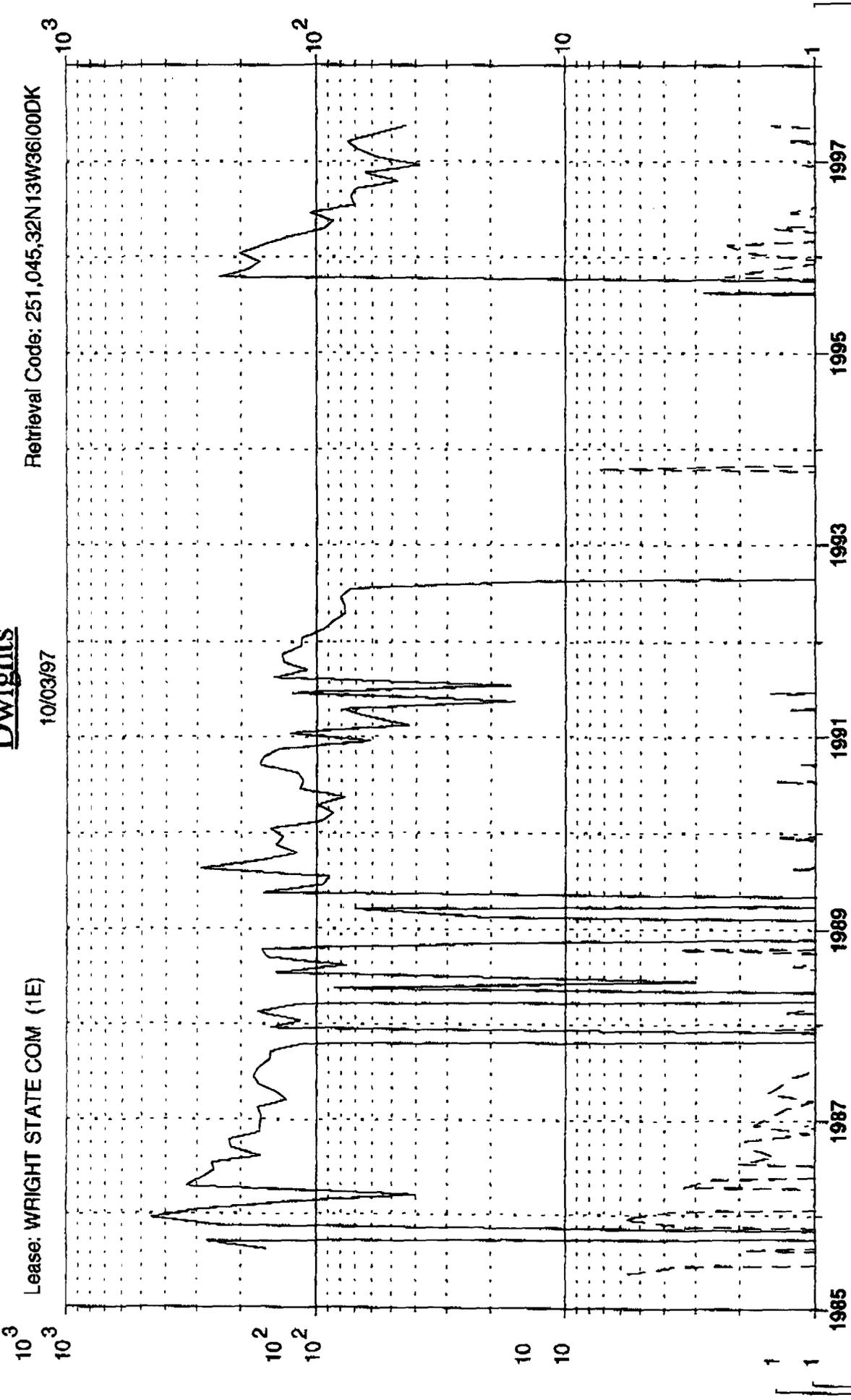
Water (bbl/day)

# Dwights

Lease: WRIGHT STATE COM (1E)

Retrieval Code: 251,045,32N13W36100DK

10/03/97



County: SAN JUAN, NM	F.P. Date: 05/85
Field: BASIN (DAKOTA) DK	Oil Cum: 3181 bbl
Reservoir: DAKOTA	Gas Cum: 392.1 mmcf
Operator: BURLINGTON RES O&G CO	Location: 361 32N 13W

Oil (bbt/day)

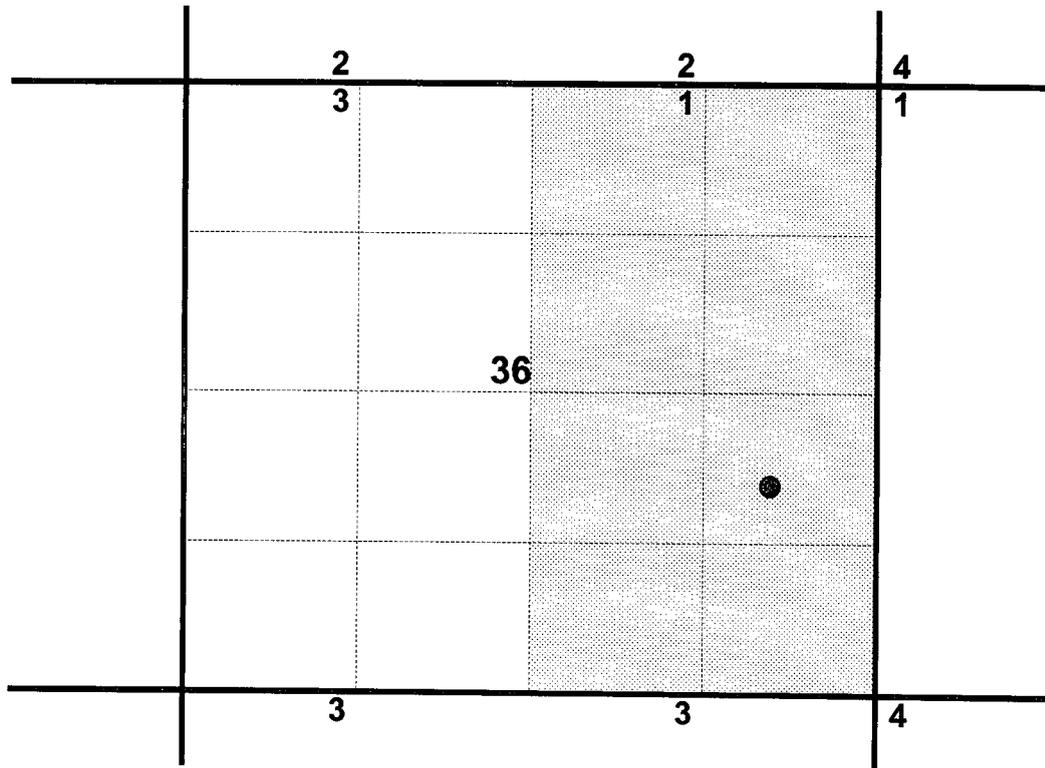
Gas (mcf/day)

Water (bbl/day)

# Taurus Exploration U.S.A., Inc

**Wright State Com #1E**  
**Offset Operator / Ownership Plat**  
Wildcat Gallup/ Basin Dakota  
Downhole Commingling

Township 32 N, Range 13 W



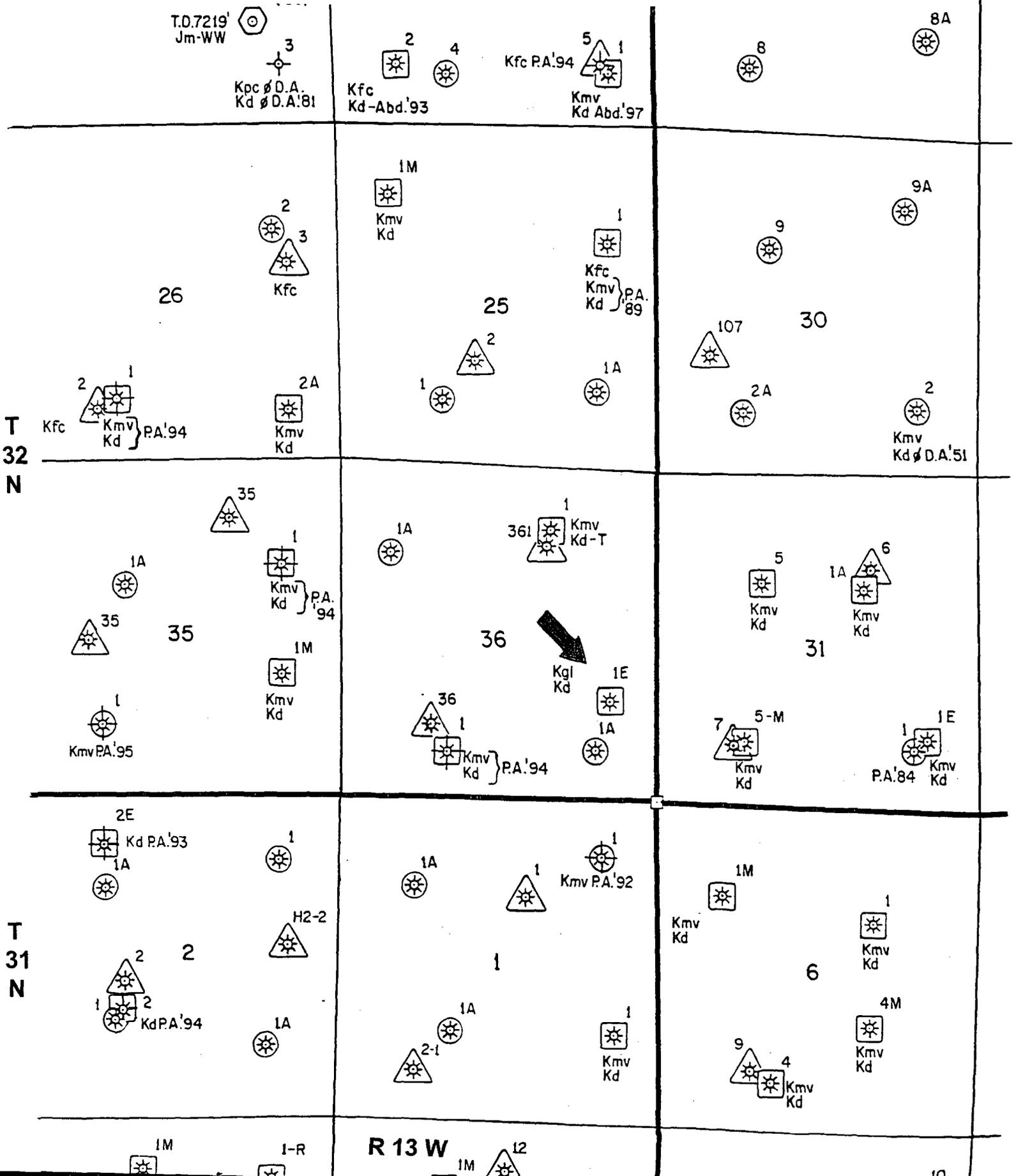
- 1) Taurus Exploration U.S.A., Inc
- 2) Amoco Production Company  
P.O. Box 800  
Denver, Co 80201-0800
- 3) Chateau Oil and Gas, Inc.  
5802 Highway 64  
Farmington, N.M. 87401
- 4) Burlington Resources  
P.O. Box 4289  
Farmington, N.M. 87499-4289

**Taurus Exploration U.S.A., Inc.**  
**Well Location Plat**  
**Wright State Com #1E**  
**Unit I, Section 36, T 32 N, R 13 W**  
**San Juan Co, N.M.**

23

19

1-X



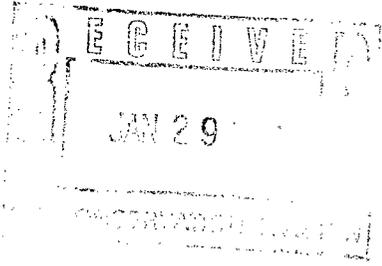
T  
32  
N

T  
31  
N

R 13 W

TAURUS

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



January 27, 1998

Mr. David Catanach  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

RE: Downhole Commingle Application  
Wright State Com 1E  
Section 36, T32N, R13W  
San Juan County, New Mexico

Dear Mr. Catanach:

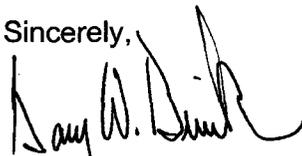
The additional information you requested concerning our Application to Downhole Commingle our Wright State Com 1E well is as follows:

Wildcat Gallup	1214 BTU
Basin Dakota	1177 BTU

In addition, the New Mexico Commissioner of Public lands has been notified of this application.

Thank you for informing us of this deficiency. Your help in this matter is appreciated.

Sincerely,

  
Gary W. Brink  
Production Superintendent

GWB/df