

7/16/98	8/5/98	DC	MV	DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

2071

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] [CLS - 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]

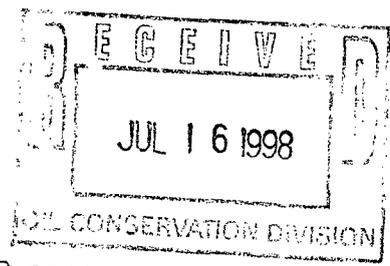
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [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, U, 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: Statements must be completed by an individual with supervisory capacity

W. BRINK
 Name
 Signature
 Production Supt.
 Title
 7/13/98
 Date

July 13, 1998

Ms. Lori Wrotenbery
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.
Jicarilla 99 #2
990' FNL, 990' FEL, Sec. 14, T26N, R3W, NMPM
Rio Arriba County, New Mexico

Dear Ms. Wrotenbery:

Taurus Exploration U.S.A., Inc. requests administrative approval for downhole commingling the Tapacito Pictured Cliffs and Blanco Mesa Verde pools in the subject well. The well is currently producing as a Pictured Cliffs/Mesa Verde dual completion. The Mesa Verde zone has experienced liquid loading problems and is currently shut in. It is felt downhole commingling will eliminate excessive operational expenditures and allow the Pictured Cliffs flow stream to aid in keeping the Mesa Verde zone unloaded and producing.

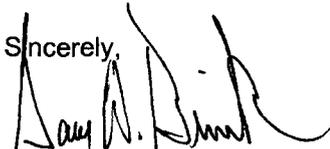
To comply with New Mexico Oil Conservation Rules, Taurus Exploration U.S.A., Inc. is submitting the following data for your approval of the proposed commingling:

1. For C107A - Application for Downhole Commingling
2. C102 - Location plat showing each spacing unit and dedicated acreage
3. Production curves for both the Pictured Cliffs and Mesa Verde
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, BLM-Albuquerque, Offset Operators

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 875054-6429

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

APPROVAL PROCESS:

X Administrative ___ Hearing

EXISTING WELLBORE

X YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

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

Jicarilla 99 #2 A Sec. 14, T26N, R3W Rio Arriba
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. 162928 Property Code 007168 API NO. 30-039-06492
Spacing Unit Lease Types: (check 1 or more)
Federal X State (and/or) Fee

Table with 4 columns: The following facts are submitted in support of downhole commingling, Upper Zone, Intermediate Zone, Lower Zone. Rows include Pool Name and Pool Code, Top and Bottom of Pay Section, Type of production, Method of Production, Bottomhole Pressure, Oil Gravity, Producing or Shut-in?, Production Marginal?, and Fixed Percentage Allocation.

- 9. If allocation formula is based upon something other than current or past production...
10. Are all working, overriding, and royalty interests identical in all commingled zones?
11. Will cross-flow occur?
12. Are all produced fluids from all commingled zones compatible with each other?
13. Will the value of production be decreased by commingling?
14. If this well in on, or communitized with, state or federal lands...
15. NMOCD Reference Cases for Rule 303(D) Exceptions:
16. ATTACHMENTS:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE [Signature] TITLE Prod. Superintendent DATE 7/13/98
TYPE OR PRINT NAME Gary W. Brink TELEPHONE NO. (505) 325-6800

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

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-06492		² Pool Code 77360/72319		³ Pool Name Gavilan PC/Blanco MV	
⁴ Property Code 007168		⁵ Property Name Jicarilla 99			⁶ Well Number 2
⁷ OGRID No. 162928		⁸ Operator Name Taurus Exploration, U.S.A., Inc.			⁹ Elevation 7174 GL

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
A	14	26N	3W		990'	North	990'	East	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 160/320	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

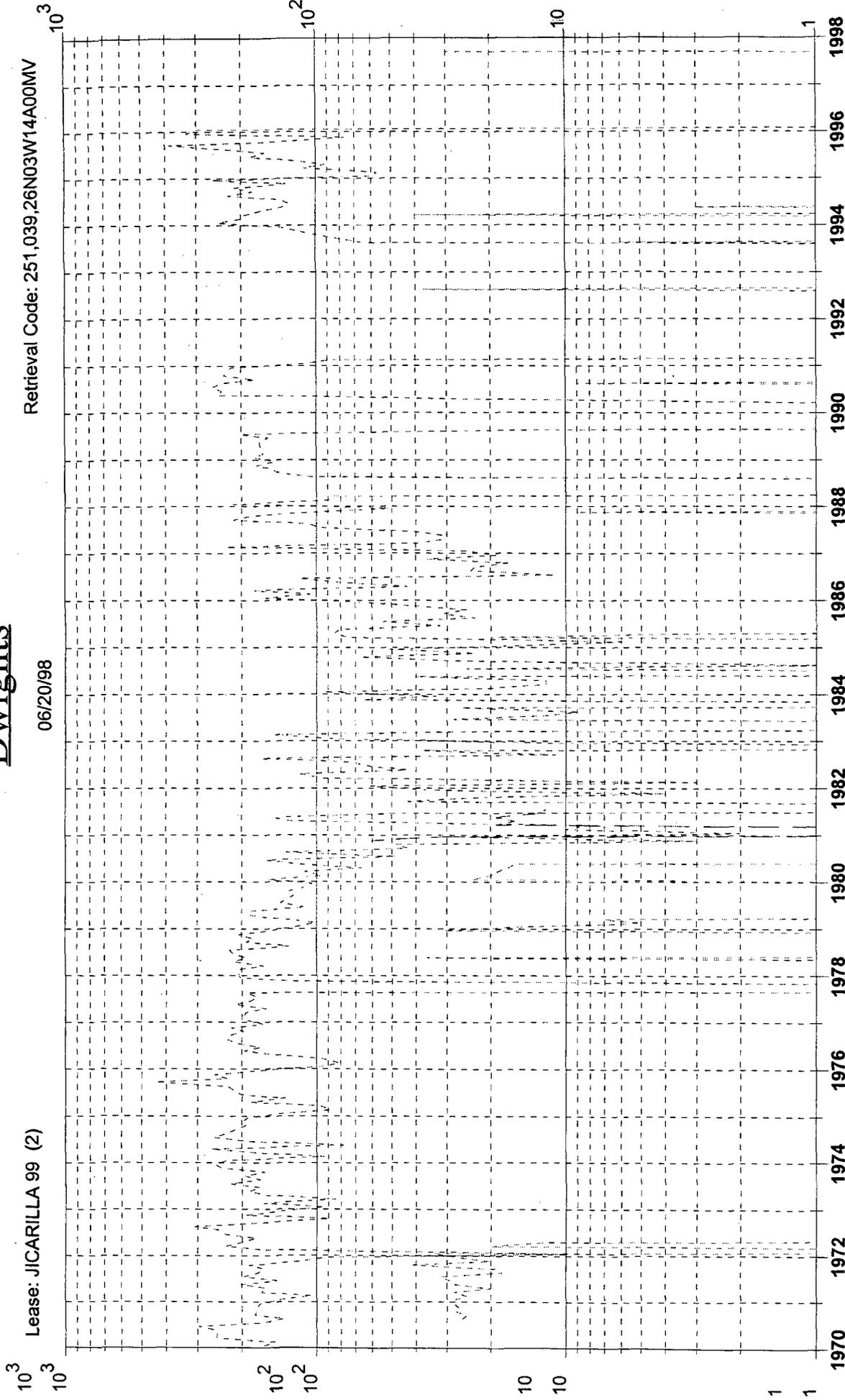
	<p>¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p></p> <p>Signature Gary W. Brink Printed Name Production Superintendent Title 7/13/98 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify 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>Date of Survey Signature and Seal of Professional Surveyer: Reissue of original survey</p> <p>Certificate Number</p>

Dwights

Lease: JICARILLA 99 (2)

06/20/98

Retrieval Code: 251,039,26N03W14A00MV



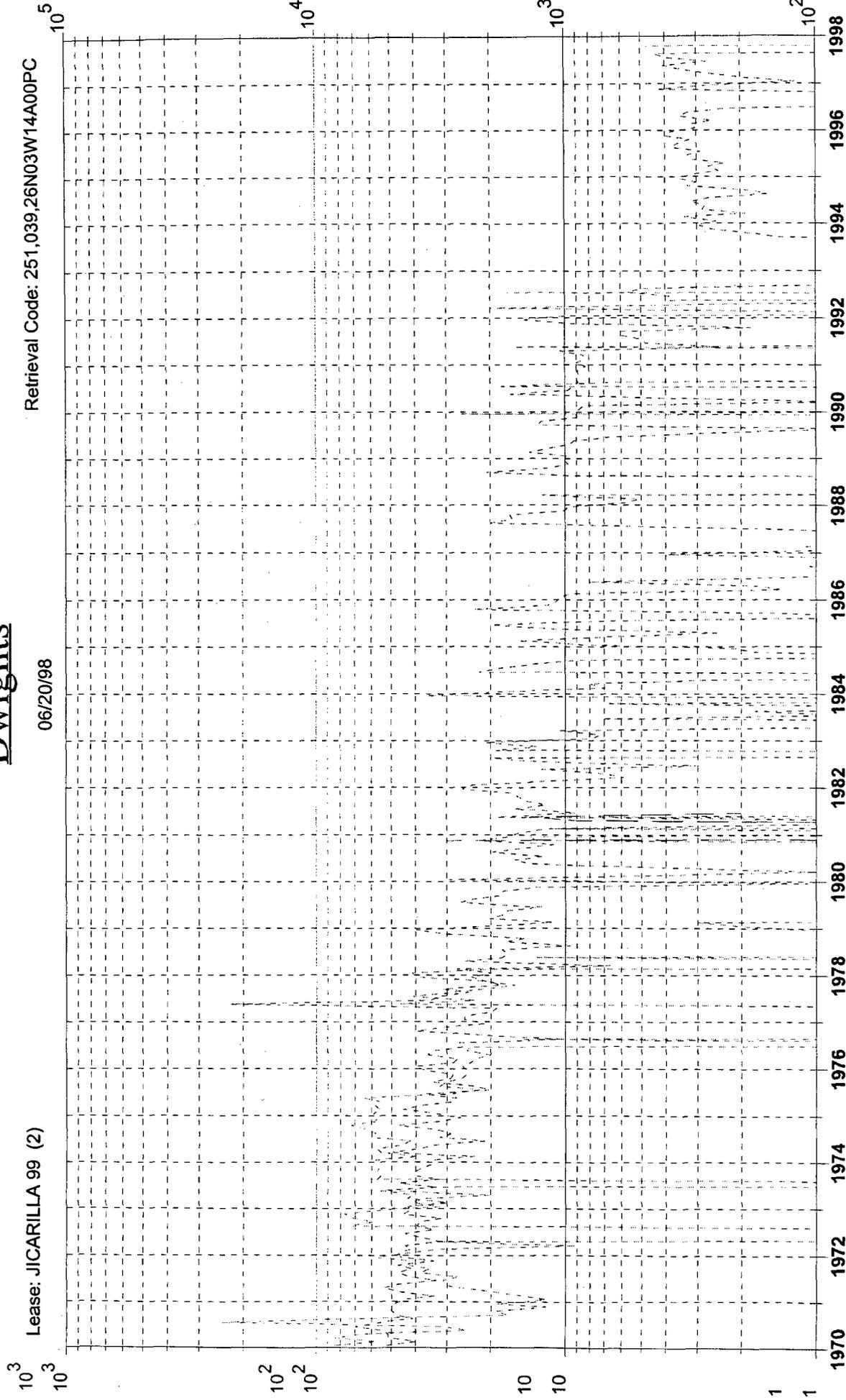
Water (bbl/mo)	---	Gas (mcf/mo)	----
Oil (bbl/mo)	----		
County:	RIO ARRIBA, NM	F.P. Date:	06/57
Field:	BLANCO (MESAVEERDE) MW	Oil Cum:	4967 bbl
Reservoir:	MESAVEERDE	Gas Cum:	225.3 mmcf
Operator:	TAURUS EXPLORATION U.S.A.	Location:	14A 26N 3W

Dwights

Lease: JICARILLA 99 (2)

06/20/98

Retrieval Code: 251,039,26N03W14A00PC



Water (bbl/mo) ———

Oil (bbl/mo) - - - - -

Gas (mcf/mo) - - - - -

County: RIO ARRIBA, NM

F.P. Date: 06/57

Field: GAVILAN (PICTURED CLIFFS) PC

Oil Cum: 10.78 mmbbl

Reservoir: PICTURED CLIFFS

Gas Cum: 1499 mmcf

Operator: TAURUS EXPLORATION U.S.A.

Location: 14A 26N 3W

Taurus Exploration U.S.A., Inc

Jicarilla 99 #2
Offset Operator / Ownership Plat
Gavilan Pictured Cliffs/ Blanco Mesa Verde
Downhole Commingling

Township 26 N, Range 3 W



1) Taurus Exploration U.S.A., Inc

R-3-W

Kpc
Kmv } Ø D.A.'58

Kmv

Kmv Ø D.A.
'79

2-10
Kpc
Kd } Ø D.A.'63

10

9-10
Kpc
Kmv } Ø D.A.'59

1-10
Kmv Ø T.A.

14
Kpc
Kmv

14A
S

5A

5
Kpc
Kmv

1
Kpc
Kmv

10
S
1A

8A
Kmv
Kd Ø D.A.

8
Kpc - S
Kmv - S

3
Kpc-NP
Kmv-PA.'63

3A
Kpc
Kmv

11-15
Kpc
Kmv } PA.'63
Kd Ø D.A.'58

15

13
S

5
Kpc Ø T.A.'57
Kmv PA.'75

2
Kpc - S
Kmv - S

11
S

9
S

7
Kpc
Kmv - S

3
Kpc Ø T.A.
Kmv PA.'72

T
26
N

22

8
Kpc
Kmv } S

15

16
Kpc PA.'85
Kmv Ø D.A.'57

Kgl
Kd Ø D.A.'87

10

6
Kpc
Kmv - Abd.'97

1
Kpc - S
Kmv - Abd.'97

12

3

1
Kgl
Kd Ø D.A.'87

27

2
Kpc
Kmv

1
Kgl
Kd Ø D.A.'88

Kpc
Kmv
Kd } Ø D.A.'58

16
Kgl
Kd Ø D.A.'85

26

17
Kpc PA.'95

26

5

3
S

24

1
Kgl
Kd

25

Taurus Exploration U.S.A., Inc.
Jicarilla 99 #2
Unit A, Sec. 14, T 26 N, R 3 W
Rio Arriba Co., N.M.
Well Location Plat