Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

WELL API NO. 30-039-08098	
5. Indicate Type of Lease STATE ☐ FEE ☒	
6. State Oil & Gas Lease No. Indian Federal Jicarilla Contract C	
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	**7. Lease Name or Unit Agreement Name** Jicarilla C
1. Type of Well: Oil Well ☐ Gas Well ☒ Other	**8. Well Number** #3
2. Name of Operator CDX RIO LLC	**9. OGRID Number** 222374
3. Address of Operator 4801 N. Butler Ave, Suite 2000 Farmington, NM 87401	**10. Pool name or Wildcat** Blanco Mesa Verde, Basin Dakota

4. Well Location
Unit Letter J : 1850 feet from the South line and 990 feet from the East line
Section 23 Township 26N Range 5W NMPM County Rio Arriba

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 6578' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type_____ Depth to Groundwater_____ Distance from nearest fresh water well_____ Distance from nearest surface water_____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
OTHER: Down-hole Commingle: Pre-approved Pools	☒			OTHER:	☐		

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

CDX RIO LLC request approval to down-hole commingle the subject well. CDX plans to down-hole commingle the Blanco Mesa Verde(72319) and the Basin Dakota (71599) pools in this well-bore. These are pre-approved pools as per NMOCD Order 11363. The zones will be both completed on the initial completion. These zones have been segregated since completion. Work will be begin soon after approval.

See Attached Exhibits:

Wellbore Diagram, Statement of Commingle, Interest Owner notification.

A copy of application has been hand-delivered to the BLM.

JAN 2005
RECEIVED
OIL CONS. DIV.
DIST. 3

DHC1741AZ

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE _____ TITLE Paty Shelton- Regulatory Agent DATE 12/23/04

Type or print name Patty Shelton E-mail address: HLPermitting@ddbroadband.net Telephone No. 505.327.9190

For State Use Only

APPROVED BY: _____ TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE JAN 12 2005

Conditions of Approval (if any): Supply allocations and methodology

CDX GAS — Jicarilla Contract C #3

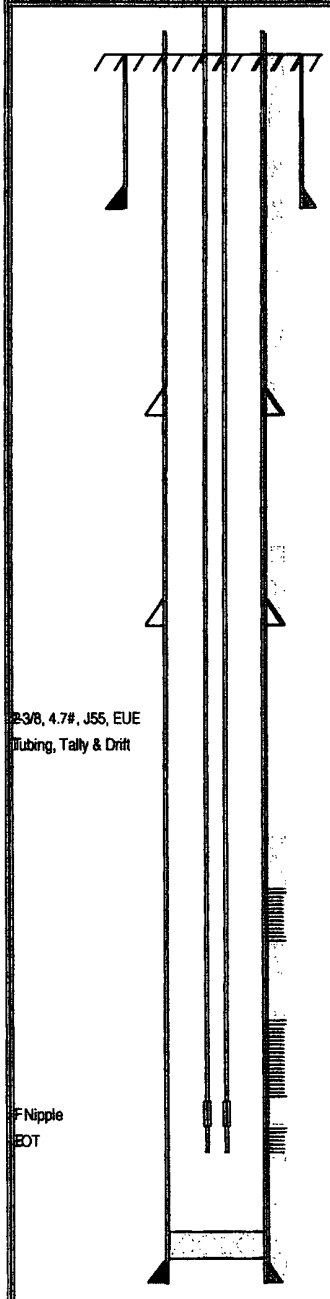
Sec 23, T26N-R5W

Status as of: 12/9/2004

API # 30-039-[illegible] | Lic # NR

AFE # | AFE $ 272,620

WELLBORE SCHEMATIC Before Workover



	Depth	
KB	6,590.0	
THF	0.0	
CF	0.0	
Ground	6,578.0	
Spud Date	6/11/[illegible]	

SECTION COMMENTS

This work will entail rigging up on an existing Dakota/Gallup well and fracture stimulating the Cliffhouse, Menefee, and Point Lookout in two stages. Two cement squeeze jobs are expected in order to isolate zones for fracturing.

Surface Casing	330.0	8 5/8, 20 & 24#, J55 150 sx Cmt
Ojo Alamo		
Fruitland		
Pictured Cliffs	3,097.0	
DV2 @	3,176.0	
TOC (est.)	5,000.0	
DV1 @	5,485.0	
Mesaverde	4,768.0	
TOC (CBL)	6,520.0	
Gallup	6,462.0	
	6,750.0	6,754.0
	6,758.0	6,762.0
	6,772.0	6,776.0 60K lbs sand, 60K gal water
Dakota	7,288.0	7,291.0
	7,301.0	7,303.0
DK Perfs	7,403.0	7,407.0 55K lbs sand, 75K gal water
	7,410.0	7,415.0
	7,442.0	7,449.0
	7,493.0	7,497.0
	7,501.0	7,504.0 60K lbs sand, 85K gal water
Morrison		
PBTD	7,465.0	
TD	7,600.0	
Production Casing	7,580.0	5 ½, 14 & 15.5 1st - 335 sx(TOC~6520), 2nd - 90 sx, 3rd - 300 sx (surf)

Proposed operation

1. Run GR/CBL/Nuetron log across Mesaverde.
2. Cement squeeze as necessary.
3. Set 4 ½" CIBP at 6450' (in good cement).
4. Pressure test casing to 3,000 psi. If pressure holds, frac down casing, else, repair leak and frac down tubing
5. Perf and foam frac Point Lookout and Lower Menefee.
6. Set 4 1/2" BP at 5075'.
7. Perf and foam frac Cliffhouse and Upper Menefee.
8. Flowback frac and allow well to log off.
9. Drill out bridge plugs.
10. Cleanout and test Mesaverde and Dakota.
11. Run tubing and place on production as a Blanco Mesaverde and Basin Dakota producer. It is possible the Mesaverde will be tested on production for up to 6 months.

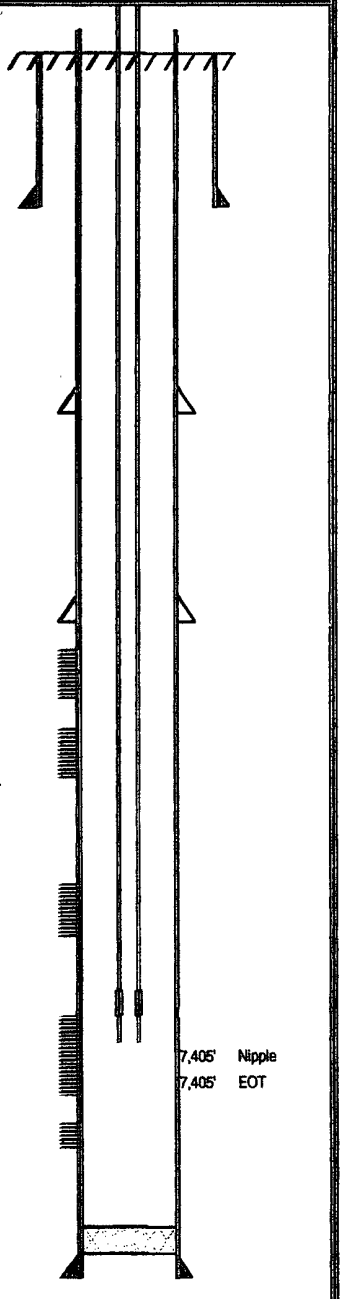
Proposed:

2 X 150 sx cement squeeze

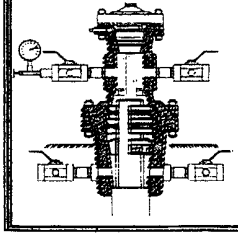
CH & Menefee Perfs:
4766-5060 25 shots
Frac stage 2: 100,000 lb sand
70% quality foam

PL & Menefee Perfs:
5100-5483 25 shots
Frac stage 1: 100,000 lb sand
70% quality foam

PROPOSED WELLBORE SCHEMATIC After Workover



Wellhead Data



Bonnet

Tubing Spool

Casing Flange

Primary Contractors		Phone
Rig		
Log / Perf		
DCTG		
Wellhead		
Testers		
Water Tr		

Tubing Detail (Estimated, no records)		Length	Depth
No	KB to THF (Estimated)		

Statement of Notification

The interested parties in the two pools affected by this commingle have been sent a copy of this application via certified mail, return receipt requested.

A copy of this application has been forwarded to the Bureau of Land Management.

Patty Shelton
HLPermitting Inc.

Statement of Commingling

The commingling of the Basin Dakota and Blanco Mesa Verde pools in this well bore will not reduce the value of the remaining production. Commingling these pools should increase the value of the remaining reserves due to using the remaining reservoir energy in both zones to produce the well.

Commingling operations conducted on other similar wells have resulted in increased production rates and greater reserve than producing the zones separately.