

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

Form C-103  
May 27, 2004

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

WELL API NO. <b>30-039-22297</b>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <b>Indian / Federal Jicarilla Contract 108</b>
7. Lease Name or Unit Agreement Name <b>Jicarilla C</b>
8. Well Number <b>3E</b>
9. OGRID Number <b>222374</b>
10. Pool name or Wildcat <b>Blanco Mesaverde / Basin Dakota</b>

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator <b>CDX RIO, LLC</b>	
3. Address of Operator <b>4801 North Butler Ave., Suite 2000 Farmington, NM 87401</b>	
4. Well Location Unit Letter <b>K</b> : <b>1690</b> feet from the <b>North</b> line and <b>1690</b> feet from the <b>West</b> line Section <b>23</b> Township <b>26N</b> Range <b>5W</b> NMPM County <b>Rio Arriba</b>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>6566' GR</b>	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
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

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>	<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>
OTHER: <b>Down-Hole Commingle; Pre-Approved Pools</b> <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>

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 Basin Dakota (71599) and the Blanco Mesaverde (72319) pools in this wellbore. These are pre-approved pools as per NMOCD Order#11363.

The Mesaverde will be perforated 5200 - 5310 & 4826 - 5055, fracture stimulated, and tested. Production allocation for the two pools will be determined by the subtraction method.

The commingling of the Basin Dakota and Blanco Mesa Verde pools in this wellbore will not reduce the value of the remaining production. Commingling these pools should increase the value of the remaining reserves due to the using the combined reservoir energy to produce the well. Commingling operations conducted on other similar wells have resulted in increased production rates and greater reserves that producing the zones separately.

The working, overriding, and royalty interest owners in the two pools affected by this commingle are identical, therefore no notification of this application need be submitted via certified mail (return receipt).

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

*DHC 1835 AZ*

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 *David C. Smith* TITLE Production Engineer DATE 3/17/05  
David C. Smith E-mail address: dave.smith@cdxgas.com Telephone No. 505-326-3003

**For State Use Only**

APPROVED BY: *[Signature]* TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 06 DATE MAR 30 2005  
Conditions of Approval (if any): \_\_\_\_\_

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State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003  
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 30-039-22297	<sup>2</sup> Pool Code 71599 / 72319	<sup>3</sup> Pool Name BLANCO MESAVERDE & BASIN DAKOTA
<sup>4</sup> Property Code	<sup>5</sup> Property Name JICARILLA CONTRACT C	<sup>6</sup> Well Number 3E
<sup>7</sup> OGRID No. 222374	<sup>8</sup> Operator Name CDX RIO, LLC	<sup>9</sup> Elevation 6566 GR

<sup>10</sup> **Surface Location**

UL or lot no. K	Section 23	Township 26N	Range R5W	Lot Idn	Feet from the 1690	North/South line NORTH	Feet from the 1690	East/West line WEST	County RIO ARriba
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<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
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<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<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> <b>OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Signature _____</p> <p>Printed Name David C. Smith</p> <p>Title and E-mail Address Production Engineer, dave.smith@cdxgas.com</p> <p>Date March 17, 2005</p>
	<p><sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <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>October 27, 1979</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>ON FILE</p> <p>Certificate Number 3950</p>

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.**

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. JICARILLA CONTRACT C #3E
2. Name of Operator CDX RIO, LLC		9. API Well No. 30-039-22301
3a. Address 4801 NORTH BUTLER SUITE 2000 FARMINGTON, NM 87401	3b. Phone No. (include area code) Ph: 505-326-3003 Ext: 2804 Fx: 505-325-4007	10. Field and Pool, or Exploratory BLANCO MESAVERDE
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 23 T26N R5W 1690FNL 1690FWL		11. County or Parish, and State RIO ARRIBA COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Proposed operation - estimated start date May 1, 2005:

1. Run bit and casing scraper to PBDT.
2. Run GR/CBL log across Mesaverde.
3. Cement squeeze as necessary (notify the BLM before any cementing operations)
4. Set 4 ?? CIBP above the Dakota. (4 1/2")
5. Pressure test casing to 3,000 psi. If pressure holds, frac down casing, else, repair leak and frac down tubing.
6. Fracture stimulate Point Lookout and Lower Menefee (5200-5310, 25 shots).
7. Flowback frac and allow well to log off.
8. Set 4 1/2" BP at 5150'.
9. Fracture stimulate Cliffhouse and Upper Menefee (4826-5055, 25 shots).
10. Flowback frac and allow well to log off.

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #55520 verified by the BLM Well Information System  
For CDX RIO, LLC, sent to the Farmington**

Name (Printed/Typed) DAVID C SMITH

Title ENGINEER

Signature (Electronic Submission)

Date 03/28/2005

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

**Additional data for EC transaction #55520 that would not fit on the form**

**32. Additional remarks, continued**

11. Cleanout Mesaverde and Dakota
12. Run tubing and place on production as a commingled Blanco Mesaverde and Basin Dakota producer.
13. Allocate commingled production using the subtraction method.