

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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		5. Lease Serial No. Jicarilla Cont. 109
2. Name of Operator CDX Rio, LLC		6. If Indian, Allottee or Tribe Name Jicarilla Apache
3a. Address 4801 N. Butler, Suite 2000, Farmington NM 87401	3b. Phone No. (include area code) 505-326-3003	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1650' FNL & 990' FEL Unit H, Sec 21, T26N, R5W		8. Well Name and No. Jicarilla Contract B #4
		9. API Well No. 30-039-82260
		10. Field and Pool, or Exploratory Area Dakota-Gallup-Mesaverde
		11. County or Parish, State Rio Arriba, 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 recompleate 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 recompleation 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 - to start approximately May 15, 2005

1. Run bit and casing scraper to PBTD.
2. Run GR/CBL log across Mesaverde.
3. Cement squeeze as necessary (notify the BLM before any cementing operations).
4. Set 5 1/2" CIBP at 5490'.
5. Pressure test casing to 3000 psi. If pressure holds, frac down casing, else, repair and frac down tubing.
6. Fracture stimulate Point Lookout and Lower Menefee (5200-5413, 25 shots).
7. Flowback frac and allow well to log off.
8. Set 5 1/2" BP at 5150'.
9. Fracture stimulate Cliffhouse and Upper Menefee (4687-5100, 25 shots).
10. Flowback frac and allow well to log off.
11. Drill out bridge plug.
12. Flow test the Mesaverde.
13. Drill out BP over Dakota and Gallup
14. Place on production as a commingled Dakota, Gallup, and Mesaverde producer.

2005 APR 8 PM 10 12
RECEIVED
OTO FARMINGTON NM

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

David C. SmithTitle **Production Engineer**

Signature

Date

04/07/2005**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.

CONDITIONS OF APPROVAL**Adhere to previously issued stipulations.**

NMCCD

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, 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 & 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

¹ API Number 30-039-08098	² Pool Code 72319	³ Pool Name BLANCO MESAVERDE
⁴ Property Code	⁵ Property Name JICARILLA B	⁶ Well Number 4
⁷ OGRID No. 222374	⁸ Operator Name CDX RIO, LLC	⁹ Elevation 6555' GR

¹⁰ Surface Location

UL or lot no. H	Section 21	Township 26N	Range R5W	Lot Idn	Feet from the 1650	North/South line NORTH	Feet from the 990	East/West line EAST	County RIO ARriba
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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
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¹² Dedicated Acres 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>Section 21</p>	<p>¹⁷ 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>Signature </p> <p>Printed Name David C. Smith</p> <p>Title and E-mail Address Production Engineer, dave.smith@cdxgas.com</p> <p>Date 3/31/05</p>
	<p>¹⁸ 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>4/4/66</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>ON FILE</p> <p>2463</p> <p>Certificate Number</p>

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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

CDX RIO, LLC 4801 North Butler Ave., Suite 2000, Farmington, NM 87401
Operator Address

JICARILLA CONTRACT B #4 H-21-T26N-R5W RIO ARRIBA
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No 222374 Property Code API No. 30-039-82260 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BLANCO MESAVERDE	TAPACITO GALLUP	BASIN DAKOTA
Pool Code	72319	58090	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4,675 – 5,340 (To be confirmed after logs)	6,702 – 6,724	7,204 – 7,446
Method of Production (Flowing or Artificial Lift)	Plunger Lift	Plunger Lift	Plunger Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	545 psi (estimated)	440 psi	440 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1200 BTU	1270 BTU	1210 BTU
Producing, Shut-In or New Zone	NEW ZONE	PRODUCING	PRODUCING
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: 100 mcf/d (estimated) Rates: 0.5 bopd (est) 3 bwpd (est)	Date: 3/25/05 25 mcf/d Rates: 0.2 bopd 0 bwpd	Date: 3/25/05 150 mcf/d Rates: 0.8 bopd 1 bwpd
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 33% Gas 36%	Oil 14% Gas 10% 13%	Oil 54% Gas 54%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? ☒ Yes ☐ No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? ☒ Yes ☐ No

Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No

Will commingling decrease the value of production? ☐ Yes ☒ No

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

NMOCD Reference Case No. applicable to this well: _____

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 working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE  TITLE Production Engineer DATE 8/19/04

TYPE OR PRINT NAME David C. Smith TELEPHONE NO. (505) 326-3003

E-MAIL ADDRESS dave.smith@cdxgas.com