

Statement of Notification

Jicarilla C#1C
UL "G" Sec 11, T26N - R4W
Rio Arriba County, New Mexico

The interested parties in the Basin Dakota and Blanco Mesa Verde pools affected by this commingle have been sent a copy of this application via certified mail, return receipt requested.



Jean M. Muse
Regulatory/Engineering Technician
Patina San Juan, Inc.

Statement of Commingling

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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 using the remaining reservoir energy in both zones to produce the wells.

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



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Recommended Allocation for Commingle

Well: Jicarilla C #1C

30-day average production based on Offset Well Performance
(see attached decline curves)

G a s	Zone	Average MCFD	Percentage of total flow
	MV	65	50%
	DK	66	50%
	Total	131	100%

O i l	Zone	Average BOPD	Percentage of total flow
	MV	0.22	30%
	DK	0.52	70%
	Total	0.74	100%

Recommended allocation for future downhole commingled production

Zone	Gas	Oil
MV	50%	30%
DK	50%	70%
Total	100%	100%