Form 3160-5 . (September 2001)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004 5. Lease Serial No.

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an

X0190001

Do not use the abandoned we	is form for proposals to ell. Use Form 3160-3 (API	D) for such p	oposals.		Aflottee or Tribe Name				
CLIDAIT IN TO	IPLICATE - Other instr	rictions on i	overse side	O's July Jicarilla	Apache Tribe T.C.A/Agreement, Name and/or No.				
	IFLICATE · VUIET II RU	acaons on i	ereige sine	Oin ALRUQUEROUE	0. 09				
1. Type of Well	n			- OCKUUE	.N.M.v.				
Oil Well Gas Well	a. Well Na	8. Well Name and No.							
 Name of Operator Jicarilla Apache Energy Corpor 		Apache JVA #2A 9. API Well No.							
3a. Address		30-039-27408							
	·	10. Field and Pool, or Exploratory Area							
P.O. Box 710, Dulce, NM 875 4. Location of Well (Footage, Sec.,	Blanco	-MesaVerde/Gavilan PC							
, -	11. County	or Parish, State							
895' FNL & 673' FWL, Sec 28,	, T27N, T2W, NMPM			-	" O				
					iba County, NM				
12. CHECK API	PROPRIATE BOX(ES) T	O INDICATE	NATURE OF N	NOTICE, REPORT, O	R OTHER DATA				
TYPE OF SUBMISSION			TYPE OF A	CTION					
	Acidize	Deepen Deepen	☐ Pr	oduction (Start/Resume)	☐ Water Shut-Off				
✓ Notice of Intent	Alter Casing	Fracture T	reat 🔲 Re	eclamation	Well Integrity				
Subsequent Report	Casing Repair	New Cons	ruction Re	ecomplete	Other Complete Gavilan				
- Subsequent Report	Change Plans	Plug and A	.bandon 🔲 Te	emporarily Abandon	PC & Downhole				
Final Abandonment Notice	Convert to Injection	Plug Back	□ w	ater Disposal	Commingle w/MV				
The Jicarilla Apache Energy Corp PC production with the existing E Gavilan PC, the West 1/2 of said commingled is identical and control Blanco-Mesa Verde is producing in Production data from the Blanco- to each pool. Downhole comming A copy of the NMOCD application	poration (JAECO) proposes to Blanco-MesaVerde production section is presently dedicated rolled by JAECO, therefore in from perfs 5658' - 6162'. It is MesaVerde (completed 6/03) gling will not reduce the value	n. Attached is Not to the Blanco-loctice of intent to proposed to per and test data from of the total reg Form C-107A	MOCD form C-1 MesaVerde. Owne o downhole comm rforate and stimul om the Gavilan Po maining productio	.02 dedicating the NW 1/crship between the pools in the pools in the pools in the fact that the Gavilan PC: 3645 C will be used to determine the control of the pool of the po	4 of Sec 28, T27N, T2W to the in the spacing units to be is not required. The '-3867'. The the allocation of production				
14. I hereby certify that the foregoin Name (PrintedlTyped)	ig is true and correct								
Charles Neeley, PE	4		Title Agent	```Q`8.7 9	9 il				
Signature /	1. 1 1. len		Date 1/	261	<u> </u>				
- Jan	THIS ROACE	FOR FEDERA	L OR STATE O	FEICE LISE					
			Name						
Approved by (Signature)	/s/ David R. Sitzler	, 	(Printed/Typed)	<u>Division</u>	of Multi-Resources				
Conditions of approval, if any, are certify that the applicant holds lega which would entitle the applicant to contain the container.	al or equitable title to those rig	ce does not warr hts in the subject	ant or lease		AUG 1 9 2004				

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.

DATEIN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE **Application Acronyms:** [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] [OLM-Off-Lease Measurement] [PC-Pool Commingling] [OLS - Off-Lease Storage] **IWFX-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]** Location - Spacing Unit - Simultaneous Dedication NSL NSP SD Check One Only for [B] or [C] Commingling - Storage - Measurement [B] lacktriangle DHC lacktriangle CTB lacktriangle PLC lacktriangle PC lacktriangle OLM Injection - Disposal - Pressure Increase - Enhanced Oil Recovery □ WFX □ PMX □ SWD □ IPI □ EOR □ PPR [D]Other: Specify [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or \square Does Not Apply 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] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE. [4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division. Note: Statement must be completed by an individual with managerial and/or supervisory capacity. 7/15/04 Charles Neeley Print or Type Name neelece@acrnet.com e-mail Address

District I .

District II

District III

District IV

State of New Mexico Energy, Minerals and Natural Resources Department

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

APPLICATION TYPE Establish Pre-Approved Pools
EXISTING WELLBORE
X Yes ____No

Form C-107A

Revised June 10, 2003

APPLICATION FOR DOWNHOLE COMMINGLING

Jicarilla Apache Energy Corp Operator	P.O. Box 710, Dr Ade	ulce, NM 87528 tress					
JVA		- T27N - R2W	San Juan				
Lease	Well No. Unit Letter-	Section-Township-Range	County				
OGRID No. 11859 Property	Code <u>5415</u> API No. <u>30-</u>	039-27408 Lease Type: 2	X IndianStateFee				
DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE				
Pool Name	Gavilan PC ext		Blanco Mesaverde				
Pool Code	77360		72319				
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3645' – 3867'		5658' – 6162'				
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing				
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)	Estimated 1040 psi		Initial BHP ~ 1260 psi				
Oil Gravity or Gas BTU (Degree API or Gas BTU)	Estimated 1050 btu/scf		1258 btu/scf				
Producing, Shut-In or New Zone	New Zone		Producing				
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history,	Date:	Date:	Date: 5/31/04				
applicant shall be required to attach production estimates and supporting data.)	Rates:	Rates:	Rates: 1 BO/ 152 mcfpd / No				
Fixed Allocation Percentage (Note: If allocation is based upon something other	Oil Gas To be determined after test	Oil Gas	Oil Gas To be determined after PC tst				
than current or past production, supporting data or explanation will be required.)	% %	% %	% %				
	ADDITION	NAL DATA					
Are all working, royalty and overriding If not, have all working, royalty and over			Yes_XNo YesNo				
Are all produced fluids from all commit	ngled zones compatible with each o	ther?	Yes_X No				
Will commingling decrease the value of	production?	•	Yes No_X				
If this well is on, or communitized with, or the United States Bureau of Land Ma			Yes_X_No				
NMOCD Reference Case No. applicable	e 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-APPRO	VED POOLS					
If application is t	o establish Pre-Approved Pools, th	e following additional information wil	l 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 / Kinder Mile	Mey TITLE A	Agent/PE DA	TE 9/15/04				
TYPE OR PRINT NAME CI	harles Neeley	TELEPHONE NO (504	5) 486-0211				

E-MAIL ADDRESS

neelece a acrnet.com

NEELEY CONSULTING SERVICE, LLC

3001 Northridge Drive, Los Amigos Bldg FARMINGTON, NEW MEXICO 87401 (505) 486-0211

July 12, 2004

New Mexico Oil Conservation Division Mr. Mark Fesmire, Director 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Bureau of Land Management Mr. Ed Singleton, Field Manager 435 Montano NE Albuquerque, New Mexico 87107

RE:

Jicarilla Apache Energy Corporation (JAECO) NW/NW, Sec 28, T27N, R2W JVA #2A

Rio Arriba County, New Mexico

Downhole Commingling Request

Dear Mr. Fesmire and Mr. Singleton:

The Jicarilla Apache Energy Corporation is applying for administrative approval to downhole commingling production in the Gavilan Pictured Cliffs ext with production from the Blanco Mesaverde pool in the referenced well. The ownership of the zones to be commingled is common, JAECO.

The Mesaverde wells in this area are marginal economic producers based on current rates of 10 – 160 MCFD. The closest Gavilan PC wells are in Sections 25, 35 and 36, of T27N, T3W and are also marginal economic producers based on current rates of 35 – 70 MCFD. A reserve study predicts an ultimate recovery of 270 MMSCF from the Mesaverde and 600 MMSCF for the Pictured Cliffs. These reserves and the low current producing rates are uneconomic as a separate zone well. The well is economic when commingled due to savings realized on surface facilities and tubulars. The only economical way to recover the Mesaverde and Pictured Cliffs reserves identified on lease is to downhole commingle production from both zones in the well as proposed.

The Mesaverde formation has been completed and produced in this well for 12 months – production data, including a production curve is attached for your review. It is proposed to set a bridge plug above the Mesaverde, perforate and stimulate the Pictured Cliffs, and test its production. The bridge plug will then be removed and both zones produced through a single string of tubing. The reservoir characteristics of each of the subject zones are such that underground waste will not be caused by the proposed commingling ie, the fluids are compatible with each other, the initial bottom-hole pressure for the Mesaverde and anticipated bottom-hole pressure for the Pictured Cliffs are 1260 psi and 1040 psi, respectively.

The allocation of the commingled production will be calculated using flow tests for the Pictured Cliffs during completion operations, production data from the Mesaverde, and reserve studies for both producing intervals. JAECO will consult with the NMOCD district supervisor of the Aztec NMOCD office for approval of the allocation.

Your respective approvals of this project are appreciated.

Sincerely,

Knuller Her ley

Charles Neeley, PE

1045 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

215.52

Infill

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 August 15, 2000

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT API Number Pool Code 72319 Blanco Mesa Verde Property Code ⁵ Property Name Well Number Apache JVA 2A Operator Name OGRID No. Elevation 11859 Jicarilla Apache Energy Copporation 7309 " GE Surface Location North/South line East/West line UL or lot no. Range Lot Idn Feet from the Feet from the Río 673 27N 2W 895 West 28 North D Arriba Bottom Hole Location If Different From Surface East/West line UL or lot no. Section Township Range Lot làn Feet from the North/South line Feet from the County 12 Dedicated Acres Joint or Infill Consolidation Code Order No.

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 5296.84' OPERATOR CERTIFICATION I hereby certify that the information contained herein S is true and complete to the best of my knowledge and belief. 673 40.00 Charles Neeley Proposed New Location Agent 05/21/02 Date ¹⁸SURVEYOR CERTIFICATION ✡ 920.04 I hereby certify that the well location shown on this Apache JVA 2 790' FSL & 850' FWL plat was plotted from field notes of actual surveys API: 30-039-21460 made by me or under my supervision, and that the 5300.46 same is true and correct to the best of my belief. a maganapang 2002 Date of Survey Signature and Seal

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

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

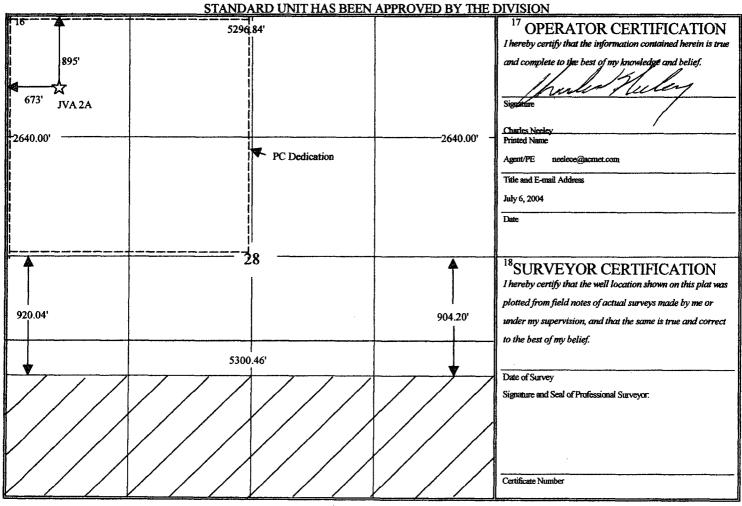
☐ AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

· A	API Numbe	r	1	Pool Code		Pool Name							
30	-039-27408			77360		Gavilan PC ext							
4 Property C	ode					⁶ Well Number							
5415	J				JVA			. 1		2A			
OGRID N	Vo.				8 Operator !	Name				Elevation			
11859	1			Ji	icarilla Apache Ener	gy Corporation			7309' GL				
	¹⁰ Surface Location												
UL or lot no.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East	/West line	County			
D	28	27N	27N 2W		895'	North	673'	West		Rio Arriba			
			11 B	ottom Ho	le Location I	f Different Fron	n 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	13 Joint o	or Infill 14 C	onsolidation	Code 15 Or	der No.								
160	John		viguidation	OI OI	1100 X 100								

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-



JAECO JVA 2A Proposed Gavilan PC ext - Estimated Production Rates & Supporting Data From: Jic 95 #3A Calc Gavilan PC Prod (Total Prod - MV Est Prod from harmonic decline)
NW/NW, Sec 35, T27N, R3W, NMPM
Rio Arriba County, NM
* PC production started 8/15/94

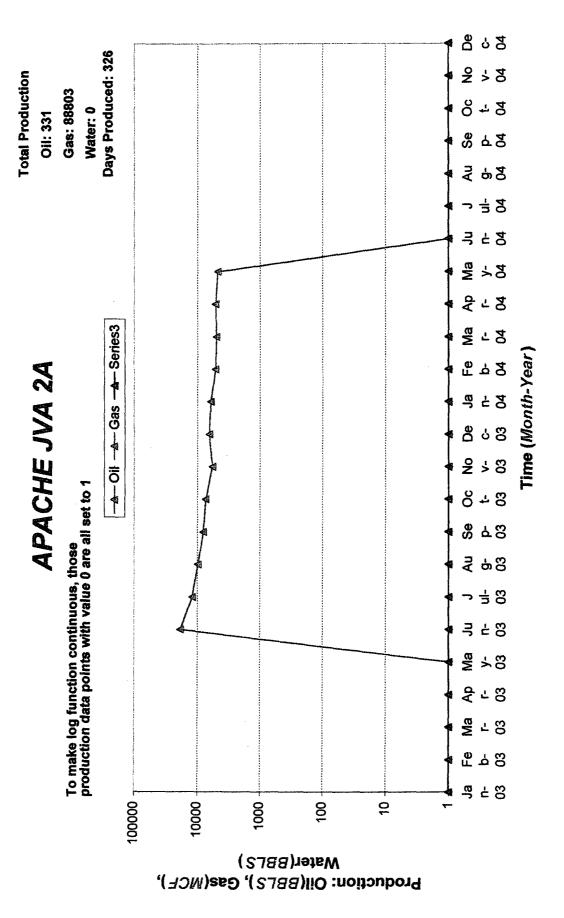
			443942 Thru 1/31/04	-uture	Projected	494585 Production	↓										EUR																				
2	mcf mcf	442707	443942	435508 Future	467752 Projected	494585 F		535500	550965	563836	574547	583461	590879	597053	602190	606466	610024																				
	not/day	72.6	47.5	63.99	53.26	44.32	36.88	30.70	25.54	21.26	17.69	14.72	12.25	10.20	8.49	7.06	5.88																				
Doing Drood		9	3236	3293	3804	4314	4825	5336	5847	6358	6989	7380	7891	8402	8913	9424	9835																				
<u> </u>	mof m	338051	342162	344938	346722	348928	350985	353989	356307	359384	362333	366050	369690	374926	380373	386372	392662	395935	399480	400895	403629	407380	411057	414834	418162	420834	422744	424852	426755	427886	430061	431712	433728	435257	437273	440043	442344
0400	ncf/day	162.65	132.61	99.14	57.55	73.53	66.35	100.13	74.77	99.26	98.3	119.9	121.33	168.9	175.71	214.25	202.9	109.1	118.17	47.17	88.19	121	122.57	121.84	110.93	86.19	61.61	75.29	61.39	37.7	70.16	55.03	65.03	49.32	134.4	89.35	76.7
Davis Bred Elam Boto	Days Flour	2157	2188	2216	2247	2277	2308	2338	2369	2400	2430	2461	2491	2522	2553	2581	2612	2642	2672	2702	2733	2764	2794	2825	2855	2886	2917	2945	2976	3006	3037	3067	3098	3129	3144	3175	3205
į	mof m	196917	199394	203881	207140	212051	213817	216607	221126	225398	229624	234552	239210	239524	244605	249399	254807	259559	263452	266507	269946	273670	278688	282833	286611	290808	294743	297757	301743	305419	308644	311643	315371	319401	322898	327423	333009
Cto C to C	not/day	191.94	79.9	160.25	105.13	163.7	26.92	63	145.77	137.81	140.87	158.97	155.27	10.13	163.9	171.21	174.45	158.4	129.77	101.83	110.94	120.13	161.87	133.71	121.87	135.39	126.94	103.93	128.58	122.53	104.03	99.97	124.27	130	116.57	145.97	186.2
Days Brod Elous Boto	Days	1061	1092	1120	1151	1181	1212	1242	1273	1304	1334	1365	1395	1426	1457	1485	1516	1546	1576	1606	1637	1668	1699	1730	1761	1792	1823	1852	1883	1913	1944	1974	2004	2035	2065	2096	2126
5 6	mcf a	2912	9699	16524	23577	26790	33482	37625	42603	46753	51233	58029	64966	71371	75618	82815	86350	92135	95914	101817	103801	104826	105301	112017	119006	129475	137764	144341	150197	156137	161368	166673	170917	175990	180969	185822	190967
Flow Date	mcf/day	100.41	126.1	317.06	227.52	114.75	215.87	197.29	216.43	138.33	144.52	219.23	231.23	220.86	212.35	211.68	114.03	199.48	121.9	196.77	124	128.13	158.33	111.93	232.97	337.71	267.39	234.89	188.9	198	180.38	176.83	136.9	163.65	165.97	156.55	171.5
o production orange	Days	* 29	29	8	121	149	180	201	224	254	285	316	346	375	395	429	460	489	520	220	299	574	22.7	637	299	969 9	729	757	788	818	847	877	806	636	696	1000	1030

Production Data – Blanco Mesaverde Pool JAECO JVA 2A NW/NW Sec 18, T27N, R2W, NMPM Rio Arriba County, New Mexico

Month	Gas, mcf	Oil, bbls	Water, bbls	Cum Gas, mcf	Cum Oil, bbls
6/03	18,559	No measure	0	18,559	No measure
7/03	12,034	A/A	0	30,593	A/A
8/03	9,736	A/A	0	40,329	A/A
9/03	8,024	A/A	0	48,353	A/A
10/03	7,322	A/A	0	55,675	A/A
11/03	5,674	A/A	0	61,349	A/A
12/03	6,384	190	0	67,733	190
1/04	6,068	No measure	0	73,801	190+
2/04	5,049	A/A	0	78,850	190+
3/04	4,900	A/A	0	83,750	190+
4/04	5,053	A/A	0	88,803	190+
5/04	4,698	141	0	93,501	331

Gas Reserves – Estimated by Hyperbolic Decline: $\sim 176,624 \text{ mcf}$ Estimate Ultimate Recovery (EUR) $\sim 270,125 \text{ mcf}$

Gas Production Logarithmic Curve of Well:



FUTURE PRODUCTION

Well ID

.

JVA 2A

Field

.

Blanco MV

Location

:

New Mexico

Company

1764.287

1828.572

JAECO

Time	Flow Rate	Cum
(Days)	(Mscf/d)	(Mscf)

35/	757.54839	93507	L
414.2845	137.78953	101210.9	
478.5725	124.16967	110806.7	
542.857	112.5826	119480.6	
607.1415	102.63369	127366.5	
671.4295	94.020304	134573.2	
735.714	86.508237	141188.8	
799.9985	79.912136	147289.5	
864.2865	74.085743	152933.8	
928.571	68.910097	158175.7	
992.8555	64.289827	163059.4	
1057.144	60.146075	167621.5	
1121.428	56.4138	171895.4	
1185.716	53.038745	175908.2	
1250.001	49.975415	179685.5	
1314.285	47.185729	183247.3	
1378.573	44.636998	186615.3	
1442.858	42.301588	189803	
1507.142	40.155909	192826.4	
1571.43	38.179067	195699	
1635.715	36.353538	198433	
1699.999	34.66382	201036.4	

33.096231

31.63911

203521.4

205896

357 | 151.54839 | 93501 Last Reported Production

	1892.856	30.282011	208166.9
	1957.144	29.015666	210342.2
	2021.429	27.832021	212426
	2085.713	26.723763	214427.7
	2150.001	25.684455	216350
	2214.286	24.708335	218198.3
	2278.57	23.790279	219976.5
٠	2342.858	22.925571	221690.1
	2407.143	22.110098	223341.8
	2471.427	21.340053	224935.6
	2535.715	20.612066	226474.3
	2600	19.922968	227960.4
	2664.284	19.270031	229398.1
	2728.572	18.650692	230788.6
	2792.857	18.06256	232136.1
•	2857.145	17.503578	233440.5
	2921.429	16.971758	234704.5
	2985.714	16.465348	235930.8
	3050.002	15.982663	237120.8
	3114.286	15.52222	238277.1
	3178.571	15.082671	239399.8
	3242.859	14.662702	240490.2
	3307.143	14.261099	241550.9
	3371.428	13.876851	242583.4
	3435.716	13.508881	243587.6
	3500	13.156278	244566.2
	4142.845	10.311122	253107.4
	4785.725	8.3367397	259906.7
	5428.57	6.9045908	265471.6
	6071.415	5.8291227	270125.2