

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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.

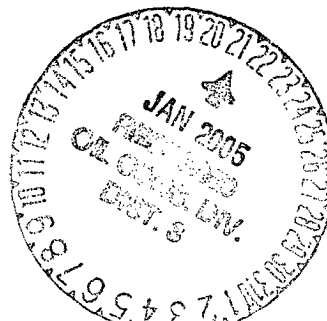
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Jicarilla 109
2. Name of Operator CDX Rio, LLC		6. If Indian, Allottee or Tribe Name Jicarilla Apache Tribe
3a. Address 4801 N. Butler, Suite 2000 Farmington, 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) At surface 1305' FNL and 780' FWL		8. Well Name and No. Jicarilla B #7F
		9. API Well No. 30-039-27833
		10. Field and Pool, or Exploratory Area Tapicito Gallup / Basin Dakota
		11. County or Parish, State Sec. 16, T26N, R-5W

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 type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Subsurface
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Commingling
	<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.)

Application for permit to Downhole Commingling per Administrative Order DHC- 1603A2Z



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

Title **Production Engineer**

Signature

Date **December 16, 2004**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **/s/ David R. Sitzler**

Division of Multi-Resources

Title

Date **JAN 14 2005**

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.

(Instructions on page 2)

NMOC

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
Geology, Minerals and Natural Resources

Form C-103
May 27, 2004

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

ALL API NO.

30-039-27833

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

Indian / Federal

Jicarilla B

Lease Name or Unit Agreement Name

Jicarilla B

8. Well Number

7F

9. OGRID Number

222374

10. Pool name or Wildcat

Tapacito Gallup / Basin Dakota

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK OR FOR SUCH DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

CDX RIO, LLC

3. Address of Operator

4801 North Butler Ave., Suite 2000 Farmington, NM 87401

4. Well Location

Unit Letter D : 1305 feet from the North line and 780 feet from the West line

Section 16 Township 26N Range 5W NMPM County Rio Arriba

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

6600' 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:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
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 Basin Dakota (71599) and the Tapacito Gallup (58090) pools in this wellbore. These are pre-approved pools as per NMOCD Order#11363. The zones will be both completed on the initial completion. Segregated production test will be performed to determine allocations.

The commingling of the Basin Dakota and Tapacito Gallup 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.

All owners of interest in the two pools affected by this commingle are common but 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.

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 OPERATIONS ENGINEER

DATE 8-19-04

Robert Lemmons

E-mail address: rob.lemmons@cdxgas.com

Telephone No. 505-326-3003

For State Use Only

APPROVED BY:

Original Signed by STEPHEN L. HAYDEN

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. 3

DATE

AUG 23 2004