

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. 30-039-22301	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. Indian / Federal Jicarilla Contract 109	
7. Lease Name or Unit Agreement Name Jicarilla B	
8. Well Number 3E	
9. OGRID Number 222374	
10. Pool name or Wildcat Blanco Mesaverde / Basin Dakota	

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6636' GR	
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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 _____

SUNDRY NOTICES AND REPORTS ON WELLS
(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 ☐ Gas Well ☒ Other 1 ☐

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 **I** : **1685** feet from the **South** line and **955** feet from the **East** line
Section **15** Township **26N** Range **5W** NMPM County **Rio Arriba**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6636' 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 ☐

OTHER: **Down-Hole Commingle; Pre-Approved Pools** ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

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 Blanco Mesaverde (72319) pools in this wellbore. These are pre-approved pools as per NMOCDC Order#11363.

The Mesaverde will be perforated 5334 - 5552 & 4863 - 5200, fracture stimulated, and tested. Production allocation for the two pools will be determined by the subtraction method.

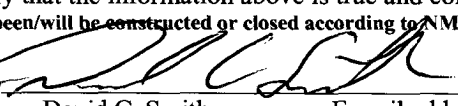
The commingling of the Basin Dakota and Blanco Mesa Verde pools in this wellbore will not reduce the value of the remaining production. Commingling these pools should increase the value of the remaining reserves due to the using the combined reservoir energy to produce the well. Commingling operations 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).

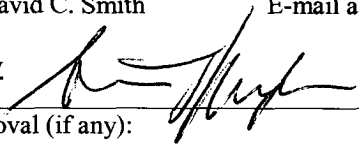
A copy of this application has been forwarded to the Bureau of Land Management.

DHC 1834 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 NMOCDC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE  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:  TITLE **DEPUTY OIL & GAS INSPECTOR, DIST. 88**
Conditions of Approval (if any):

MAR 30 2005
DATE

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 30-039-22301	² Pool Code 71599 / 72319	³ Pool Name BLANCO MESAVERDE & BASIN DAKOTA
⁴ Property Code	⁵ Property Name JICARILLA CONTRACT B	⁶ Well Number 3E
⁷ OGRID No. 222374	⁸ Operator Name CDX RIO, LLC	⁹ Elevation 6636 GR

¹⁰ Surface Location

UL or lot no. 1	Section 15	Township 26N	Range R5W	Lot Idn	Feet from the 1685	North/South line SOUTH	Feet from the 955	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
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ 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

				17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>	
				Signature	
				Printed Name David C. Smith	
				Title and E-mail Address Production Engineer, dave.smith@cdxgas.com	
Date March 17, 2005					
				18 SURVEYOR CERTIFICATION <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>	
				Date of Survey October 27, 1979	
				Signature and Seal of Professional Surveyor: ON FILE	
				Certificate Number 3950	

955'

1685'

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.*5. Lease Serial No.
JICARILLA CONT. 1096. If Indian, Allottee or Tribe Name
JICARILLA APACHE

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.8. Well Name and No.
JICARILLA CONTRACT B #3E9. API Well No.
30-039-2230110. Field and Pool, or Exploratory
BLANCO MESAVERDE11. County or Parish, and State
RIO ARriba COUNTY, NM

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
CDX RIO, LLCContact: DAVID C SMITH
E-Mail: dave.smith@cdxgas.com3a. Address
4801 NORTH BUTLER SUITE 2000
FARMINGTON, NM 874013b. Phone No. (include area code)
Ph: 505-326-3003 Ext: 2804
Fx: 505-325-40074. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 15 T26N R5W 1685FSL 955FEL

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 - estimated start date May 1, 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 4 ?? CIBP above the Dakota.
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 (5334-5552, 25 shots).
7. Flowback frac and allow well to log off.
8. Set 4 1/2" BP at 5240'.
9. Fracture stimulate Cliffhouse and Upper Menefee (4863-5200, 25 shots).
10. Flowback frac and allow well to log off.

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

**Electronic Submission #55139 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 03/17/2005

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 #55139 that would not fit on the form

32. Additional remarks, continued

11. Cleanout and test Mesaverde and Dakota for allocation purposes (Subtraction Method).
12. Run tubing and place on production as a Blanco Mesaverde and Basin Dakota producer.

commingled.