

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. 30-039-08140
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. Indian / Federal Jicarilla Contract 108
7. Lease Name or Unit Agreement Name Jicarilla C
8. Well Number 1
9. OGRID Number 222374
10. Pool name or Wildcat Blanco Mesaverde / Basin Dakota

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 ☐

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 **E** : **1650** feet from the **North** line and **990** feet from the **West** line
Section **23** Township **26N** Range **5W** NMPM County **Rio Arriba**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6658' 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 NMOCD Order#11363.

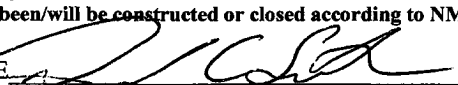
The Mesaverde will be perforated 4890 - 5150 & 5200 - 5500, fracture stimulated, and tested. Production allocation for the two pools will be determined by the subtraction method.

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.

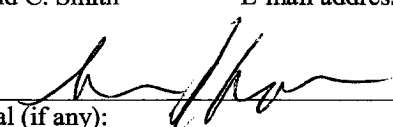
The working, overriding, and royalty interest owners in the two pools affected by this commingle are identical, therefore no notification of this application need be submitted via certified mail (return receipt).

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

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 **Production Engineer** DATE **4/26/05**
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. 03** DATE **APR 27 2005**
Conditions of Approval (if any):