

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
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **CDX Rio, LLC**

3a. Address
4801 N. Butler, Suite 2000, Farmington NM 87401

3b. Phone No. (include area code)
505-326-3003

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**1650' FNL & 990' FWL
Unit E, Sec 23, T26N, R5W**

5. Lease Serial No.

Jicarilla Cont. 108

6. If Indian, Allottee or Tribe Name

Jicarilla Apache

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

8. Well Name and No.

Jicarilla Contract C #1

9. API Well No.

30-039-08140

10. Field and Pool, or Exploratory Area
Dakota-Mesaverde

11. County or Parish, State

Rio Arriba, NM

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 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.)

Proposed operation -- to start approximately June 15, 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 5 1/2" CIBP at 5650'.
5. Pressure test casing to 1000 psi. Prepare wellbore to frac down tubing.
6. Fracture stimulate Point Lookout and Lower Menefee (5200-5500, 25 shots).
7. Flowback frac and allow well to log off.
8. Set 5 1/2" BP at 5175'.
9. Fracture stimulate Cliffhouse and Upper Menefee (4890-5150, 25 shots).
10. Flowback frac and allow well to log off.
11. Drill out bridge plug.
12. Flow test the Mesaverde.
13. Drill out BP over Dakota
14. Place on production as a commingled Dakota and Mesaverde producer.

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

2005 APR 27
070 FARMINGTON NM
RECEIVED

MAY 2005

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

David C. Smith

Title **Production Engineer**

Signature

Date

04/26/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title **Petr. Eng**

Date **5/16/05**

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)

NMOCD

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
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 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 30-039-08140	² Pool Code 71599 / 72319	³ Pool Name BLANCO MESAVERDE & BASIN DAKOTA
⁴ Property Code	⁵ Property Name JICARILLA CONTRACT C	⁶ Well Number 1
⁷ OGRID No. 222374	⁸ Operator Name CDX RIO, LLC	⁹ Elevation 6658 GR

¹⁰ Surface Location

UL or lot no. E	Section 23	Township 26N	Range 5W	Lot Idn	Feet from the 1650	North/South line NORTH	Feet from the 990	East/West line WEST	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
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¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

<p>1650'</p> <p>990'</p> <p>Sec 23</p>	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: </p> <p>Printed Name: David C. Smith</p> <p>Title and E-mail Address: Production Engineer, dave.smith@cdxgas.com</p> <p>Date: April 26, 2005</p>
	<p>¹⁸ SURVEYOR CERTIFICATION 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.</p> <p>Date of Survey: June 22, 1965</p> <p>Signature and Seal of Professional Surveyor: </p> <p>Certificate Number: </p>

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other I <input type="checkbox"/>	
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 <input type="checkbox"/> or Closure <input type="checkbox"/>	
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.

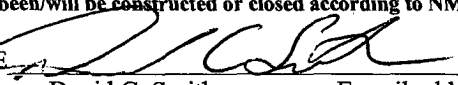
The Mesaverde will be perforated 4890 – 5150 & 5200 – 5500, fracture stimulated, and tested. Production allocation for the two pools will be determined by the subtraction method.

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 _____ DATE _____
Conditions of Approval (if any): _____