

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

811 S. First St., Artesia, NM 88210-2835

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 875054-6429

Form C-107-A
New 3-12-96

APPROVAL PROCESS:

___ Administrative ___ Hearing

EXISTING WELLBORE

___ YES ___ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Taurus Exploration U.S.A., Inc. Address 2198 Bloomfield Highway, Farmington, New Mexico 87401

Lease Jicarilla 99 Well No. #8 Unit Ltr. - Sec - Twp - Rge A Sec. 23, T26N, R3W County Rio Arriba

OGRID NO. 162928 Property Code 007168 API NO. 30-039-06395 Spacing Unit Lease Types: (check 1 or more)
Federal X State ___ (and/or) Fee ___

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Gavilan PC 77360		Blanco MV 72319
2. Top and Bottom of Pay Section (Perforations)	3764-3841		5493-6020
3. Type of production (Oil or Gas)	gas		gas
4. Method of Production (Flowing or Artificial Lift)	flowing		flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 434 calc. b. (Original) 1117 calc.	a. b.	a. 592 calc. b. 1281 calc.
6. Oil Gravity (^o API) or Gas BTU Content)	1220 BTU		1256 BTU
7. Producing or Shut-In?	Shut in		producing
Production Marginal? (yes or no)	yes		yes
* If Shut-In, give date and oil/gas/ water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: 9/88 Rates: 0.5/20/0	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: 6/1/98 Rates: .25/18/1
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 67 % Gas: 52 %	Oil: % Gas: %	Oil: 33 % Gas: 48 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? X Yes ___ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ___ Yes ___ No
Have all offset operators been given written notice of the proposed downhole commingling? X Yes ___ No

11. Will cross-flow occur? ___ Yes X No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ___ Yes ___ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? X Yes ___ No

13. Will the value of production be decreased by commingling? ___ Yes X No (If Yes, attach explanation)

14. If this well in on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. X Yes ___ No

15. NMOC Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). _____

16. 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 all offset operators.
- * Notification list of working, overriding, and royalty interests for uncommon interest cases
- * Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE Prod. Superintendent DATE 7/13/98

TYPE OR PRINT NAME Gary W. Brink TELEPHONE NO. (505) 325-6800

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-06395		² Pool Code 77360/72319		³ Pool Name Gavilan PC/Blanco MV	
⁴ Property Code 007168		⁵ Property Name Jicarilla 99			⁶ Well Number 8
⁷ OGRID No. 162928		⁸ Operator Name Taurus Exploration, U.S.A., Inc.			⁹ Elevation 7311

¹⁰ Surface Location

UL or lot no. A	Section 23	Township 26N	Range 3W	Lot. Idn	Feet from the 990'	North/South Line North	Feet from the 990'	East/West line East	County Rio Arriba
--------------------	---------------	-----------------	-------------	----------	-----------------------	---------------------------	-----------------------	------------------------	----------------------

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 160/320	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

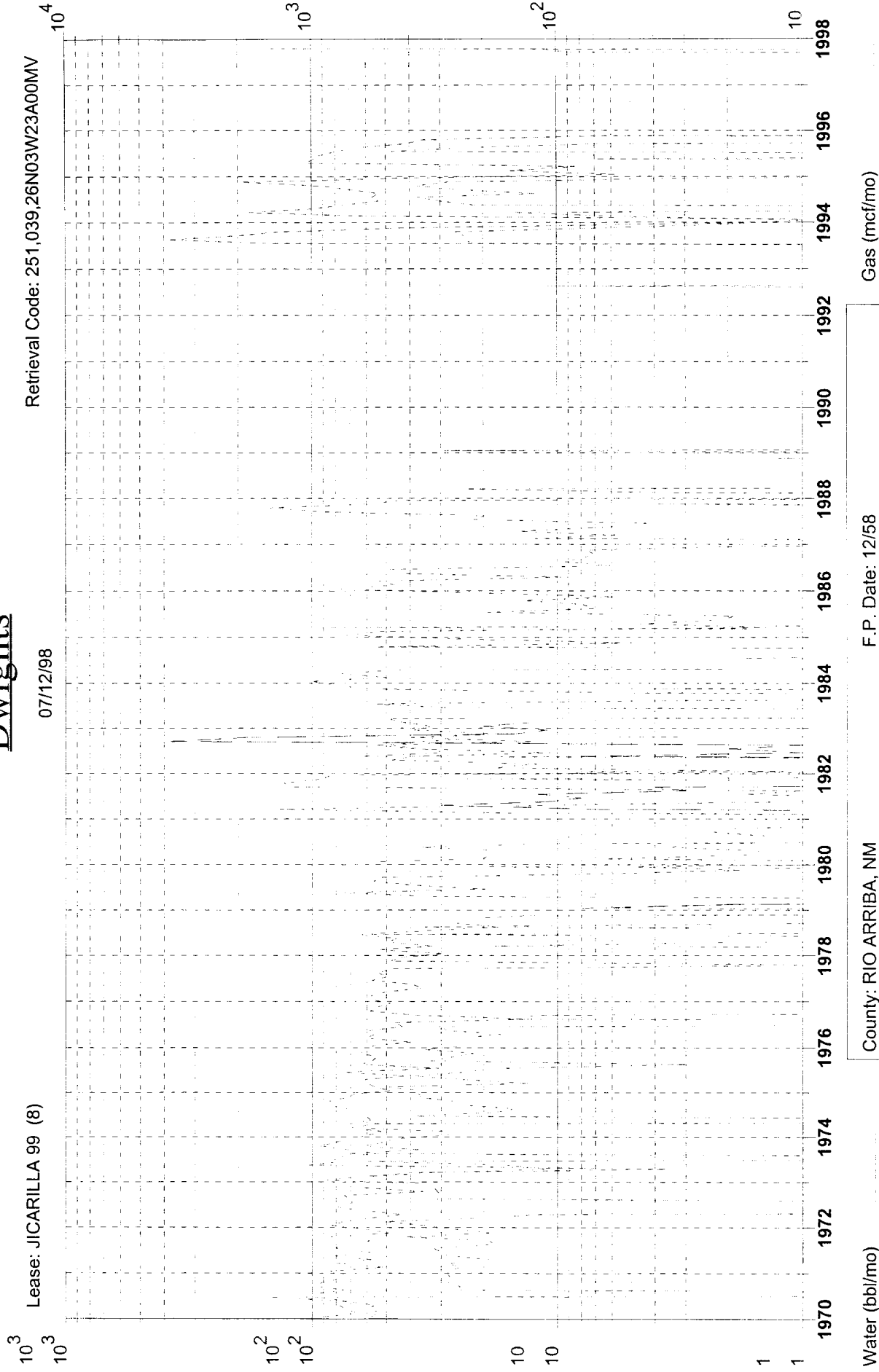
RECEIVED JUL 15 1998 OIL CON. DIV. DIST. 3			OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature Gary W. Brink Printed Name Production Superintendent Title 7/13/98 Date
			SURVEYOR CERTIFICATION <i>I 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 Signature and Seal of Professional Surveyor: Reissue of original survey Certificate Number

Dwights

Lease: JICARILLA 99 (8)

Retrieval Code: 251,039,26N03W23A00MV

07/12/98



Water (bbl/mo)

Oil (bbl/mo)

County: RIO ARRIBA, NM

F.P. Date: 12/58

Field: BLANCO (MESAVERDE) MV

Oil Cum: 7602 bbl

Reservoir: MESAVERDE

Gas Cum: 272.5 mmcf

Operator TAURUS EXPLORATION U.S.A.

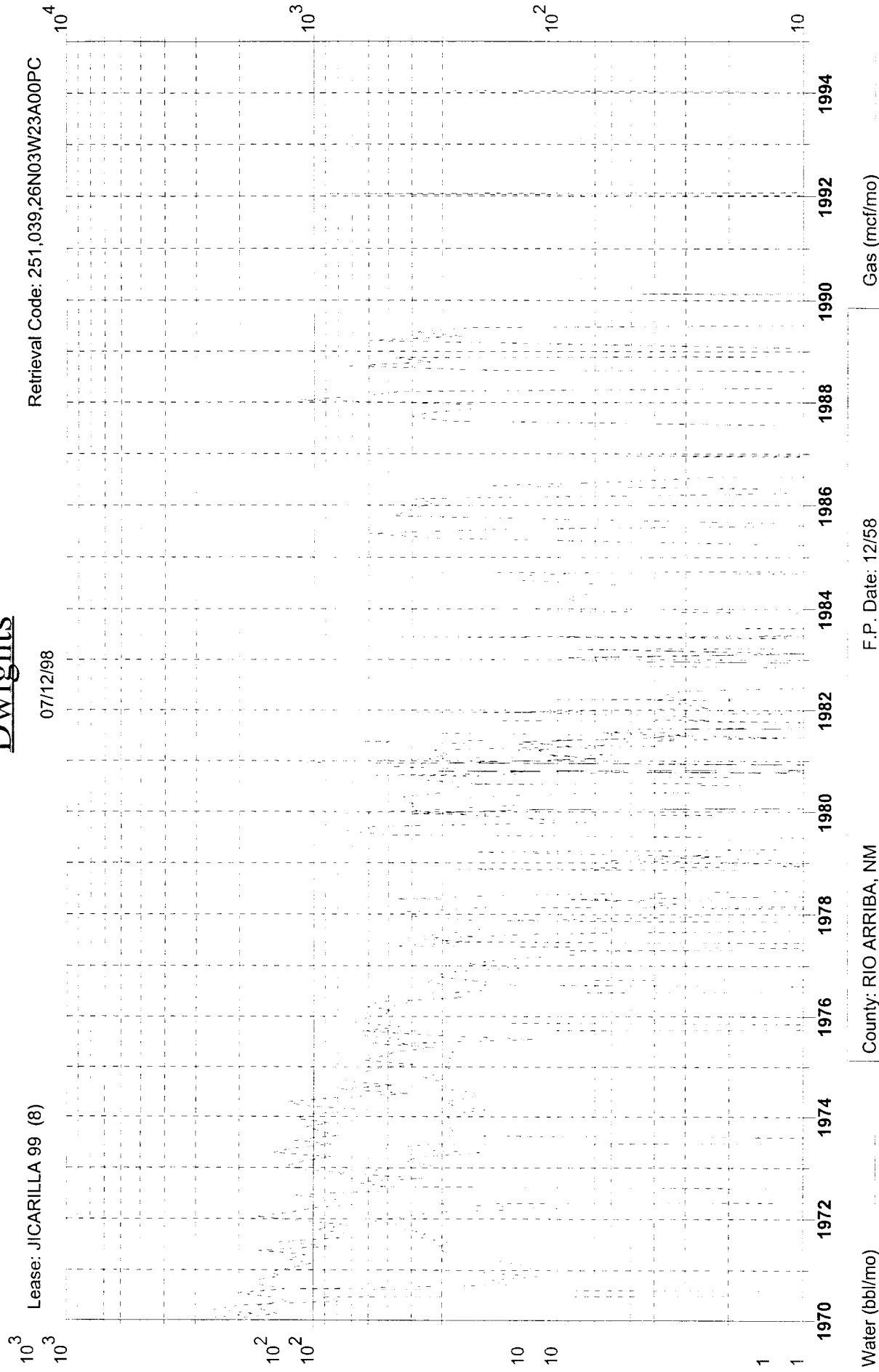
Location: 23A 26N 3W

Dwights

Lease: JICARILLA 99 (8)

Retrieval Code: 251,039,26N03W23A00PC

07/12/98



Water (bbl/mo)

County: RIO ARRIBA, NM

F.P. Date: 12/58

Gas (mcf/mo)

Oil (bbl/mo)

Field: GAVILAN (PICTURED CLIFFS) PC

Oil Cum: 20.82 mbbl

Reservoir: PICTURED CLIFFS

Gas Cum: 503.3 mmcf

Operator TAURUS EXPLORATION U.S.A.

Location: 23A 26N 3W

Taurus Exploration U.S.A., Inc

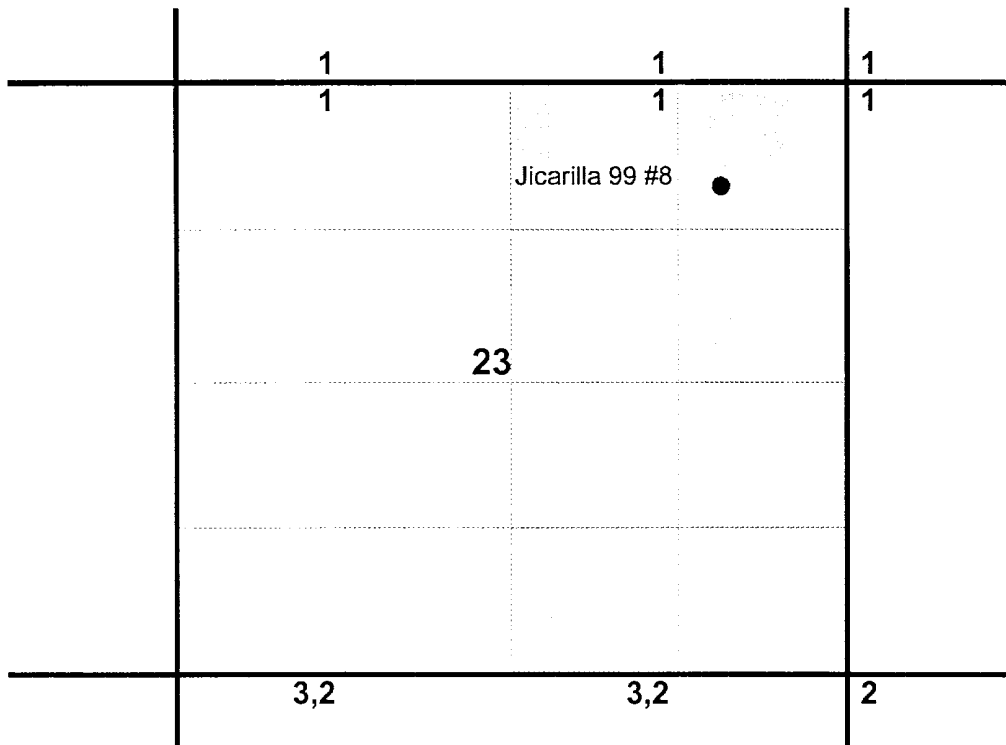
Jicarilla 99 #8

Offset Operator / Ownership Plat

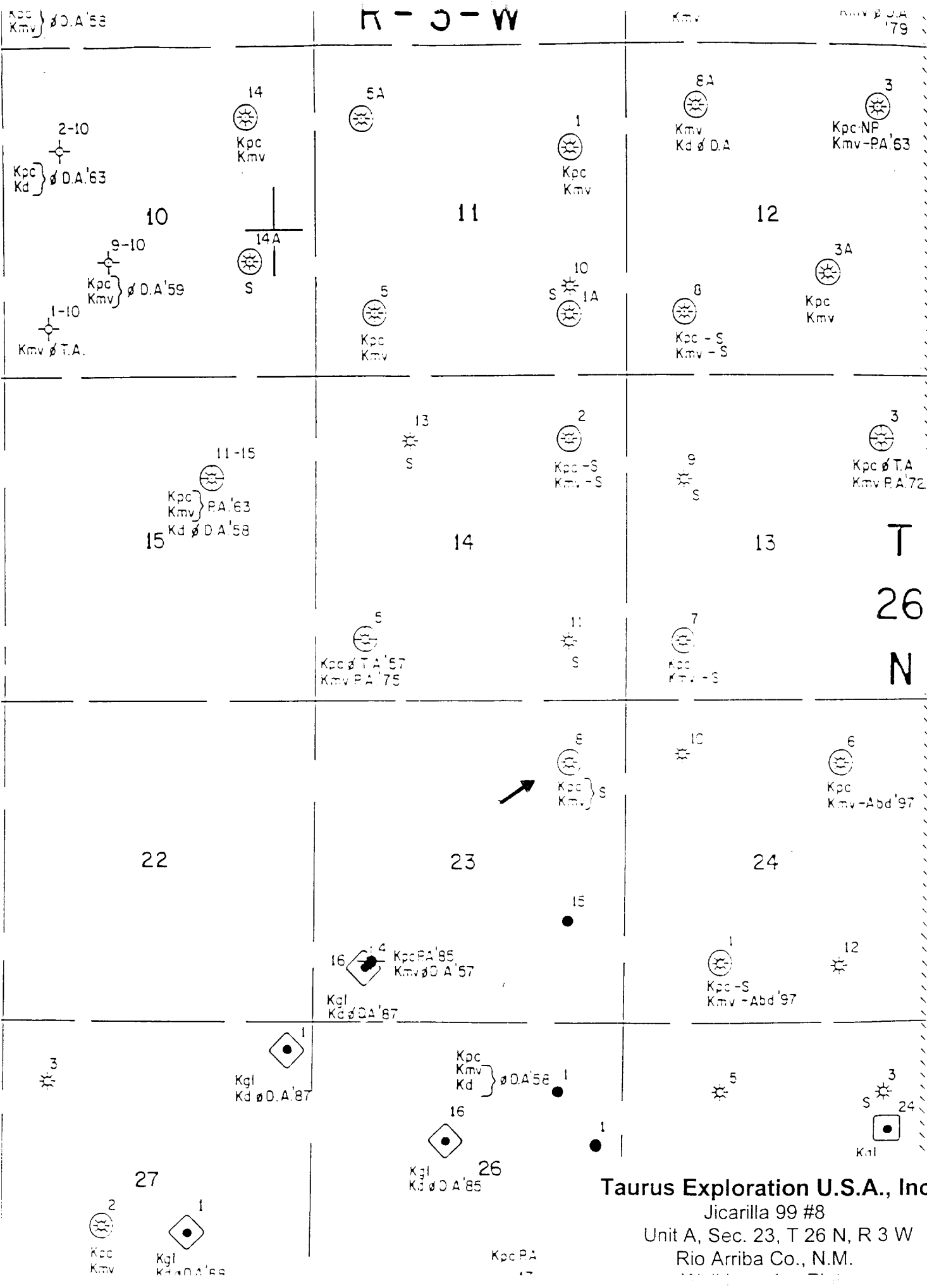
Gavilan Pictured Cliffs/ Blanco Mesa Verde

Downhole Commingling

Township 26 N, Range 3 W



- 1) Taurus Exploration U.S.A., Inc
- 2) M W Petroleum Corp.
200 Post Oak Blvd, Suite 100
Houston, Tx. 77056
- 3) Robert L. Bayless
P.O. Box 168
Farmington, N.M. 87401



Taurus Exploration U.S.A., Inc.
 Jicarilla 99 #8
 Unit A, Sec. 23, T 26 N, R 3 W
 Rio Arriba Co., N.M.