

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

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

2. Name of Operator  
Taurus Exploration, U.S.A., Inc.

3. Address and Telephone No.  
2198 Bloomfield Highway; Farmington, NM 87401

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
990' FNL, 990' FEL, Section 14, T26N, R3W, NMPM

RECEIVED  
AUG 1 1 1998  
OIL CON. DIV.  
DIST. 3

5. Lease Designation and Serial No.  
Jicarilla 99

6. If Indian, Allottee or Tribe Name  
Jicarilla Apache

7. If Unit or CA, Agreement Designation

8. Well Name and No.  
Jicarilla 99 #2

9. API Well No.  
30-039-06492

10. Field and Pool, or exploratory Area  
Gavilan PC/Blanco MV

11. County or Parish, State  
Rio Arriba NM

12. CHECK APPROPRIATE BOX(s) 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"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other Downhole Commingle
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

It is intended to downhole commingle this wellbore as follows:

1. TOH and lay down PC tubing string.
2. Release seal assembly and TOH.
3. TIH with packer milling assembly, mill out Baker Model "D" at 5352'. TOH.
4. TIH and clean out to 5950'. Land tubing at 5900'. Install single wellhead.

An application to downhole commingle has been filed with the NMOCD.

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

Signed [Signature] Title Production Superintendent Date 7/13/98

(This space for Federal or State Office use)

Approved by [Signature] Title Lands and Mineral Resources Date AUG 10 1998

Conditions of approval, if any:

Jicarilla 99 #2  
Unit A, Section 14, T 26 N, R 3 W  
Rio Arriba Co., N.M.

Subject: Economic Justification To Downhole Commingle

Current Oil Price -- \$12.00  
Current Gas Price -- \$1.20 Net less gathering & processing

The Blanco Mesa Verde and Gavilan Pictured Cliffs are marginal producers in this area. The Mesa Verde has been non-productive since 1996 and has experienced severe liquid loading problems. The well will unload but has insufficient pressure to keep it producing against current line pressures as a result of liquid production. It is felt if the mechanical restrictions can be removed from the wellbore and a plunger lift system installed, an increase in total production will be realized.

Current Mesa Verde Rate:	0 MCFD
Projected Mesa Verde Rate:	10 MCFD & 1 BO
Current PC Rate:	11 MCFD
Projected PC Rate:	25 MCFD

Incremental Uplift:	24 MCFD & 2 BO
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Increased Revenue Stream

Gas Revenue	$24 * 1.20 * 30 =$	\$864
Oil Revenue	$1 * 12.00 * 30 =$	<u>\$320</u>
Increased Monthly Revenue		\$1184

Increased Royalty	\$148 per month
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Downhole commingling will eliminate the waste of having the Mesa Verde shut in, stabilize the flowstream and extend the life of the well through increased efficiencies.

CONDITIONS OF APPROVAL FOR DOWNHOLE COMMINGLING

Operator Taurus Expl. USA Inc. Well Name Jic. 99 #2

1. The individual production zones will be tested every three years, or more often if production rates indicate a change to allocation factors, to verify that the allocation factors and methods remain proper.
2. Production from downhole commingled wells are to be reported with an alpha character, "C" (ie C1, C2, etc).
3. The following modifications to your downhole commingling program are to be made :

Submit well bore diagram upon commingling of well.