Form 3160-5 (June 1990)

## **UNITED STATES** DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

FORM APPROVED					
Budget Burea	ıu l	No.	100	04-01	35
Expires: N	<b>I</b> ar	ch 3	1.	1993	

Do not use this form for proposals to drill to Use "APPLICATION FOR	PERMIT - for such proposals	Jic Cont 96  6. If Indian, Allottee or Tribe Name  Jicarilla Apache  LBUQUERQUE <sup>7</sup> , If Unit or CA, Agreement Designation
1. Type of Well Oil X Gas Well Other  2. Name of Operator ENERGEN RESOURCES CORPORATION	The state of the s	OCT - 8 199 9. API Well No.
<ol> <li>Address and Telephone No.</li> <li>2198 Bloomfield Highway, Farmington</li> <li>Location of Well (Footage, Sec., T., R., M., or Survey De.</li> <li>990' FSL, 990' FWL, Sec. 11, T26N,</li> </ol>	scription)	30-039-06534  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	
TYPE OF SUBMISSION	TY	PE OF ACTION
X Notice of Intent  Subsequent Report  Final Abandonment Notice		Change of Plans  New Construction  Non-Routine Fracturing  Water Shut-Off  Conversion to Injection  Dispose Water  (Note: Report results of multiple completion on Well  Completion or Recompletion Report and Log form.)  timated date of starting any proposed work. If well is directionally drill

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- It is intended to Downhole Commingle this well as follows:
- 1. MIRU. TOH and lay down PC tubing. Release seal assembly and TOH.
- 2. TIH with packer milling assembly. Mill out Baker Model D at 5414'. TOH.
- 3. TIH with packer to 3400'. Pressure test casng. TOH.
- 4. TIH and clean out to below 5950'. Land tubing and install single wellhead.

14. I hereby certify the Title Production Superintendent Signed (This space for Federal or S Approved by Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes 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



Jicarilla 96 #5 Unit M, Section 11, T 26 N, R 3 W Rio Arriba Co., N.M.

Subject: Economic Justification To Downhole Commingle

Current Oil Price -- \$16.00 Current Gas Price -- \$1.50 Net less gathering & processing

The Blanco Mesa Verde is producing and Gavilan Pictured Cliffs is loaded up with fluid and requires constant attention. Since the Pictured Cliffs is extremely wet, it is felt the remaining reserves can be produced with commingling. Downhole commingling along with a plunger installation will utilize the Mesa Verde flowstream to assist in keeping the PC unloaded and producing.

Current Mesa Verde Rate: 50 MCFD & 1 BO Projected Mesa Verde Rate: 70 MCFD & 1 BO

Current PC Rate: 50 MCFD Projected PC Rate: 60 MCFD

Incremental Uplift: 30 MCFD

Increased Revenue Stream

Gas Revenue 30 \* 1.50 \* 30 = \$1350

Increased Monthly Revenue \$1350

Increased Royalty \$169 per month

Downhole commingling will eliminate the waste of venting gas to the atmosphere to keep the well unloaded, stabilize the flowstream and extend the life of the well through increased efficiencies.