

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

ENERGEN RESOURCES CORPORATION

3. Address and Telephone No.

2198 Bloomfield Highway, Farmington, NM 87401

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

990' FSL, 940' FWL, Sec. 8, T26N, R5W, N.M.P.M.

5. Lease Designation and Serial No.

Jicarilla Contract 152

6. If Indian, Allottee or Tribe Name

Jicarilla Apache

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Jicarilla West 7

9. API Well No.

30-039-06564

10. Field and Pool, or exploratory Area

Blanco MV/Basin DK

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

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Downhole Commingle
☐ 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.)

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. MIRU. Kill well. Release seal assembly and TOH.
2. TIH with packer milling assembly and mill out Baker Model D packer at 7410'. TOH.
3. TIH and clean out to 7670' with air mist. Land tubing at 7600'. Install single wellhead and return to production.

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

Signed Monica Taylor

Title Production Assistant

Date 6/14/99

(This space for Federal or State office use)

Approved by [Signature]

Title Petro. Eng.

Date 10/5/99

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.

* See Instruction on Reverse Side

Jicarilla West 7
Unit M, Section 8, T 26 N, R 5 W
Rio Arriba Co., N.M.

Subject: Economic Justification To Downhole Commingle

Current Oil Price -- \$14.00
Current Gas Price -- \$1.50 Net less gathering & processing

The Dakota side of this well was temporarily abandoned in 1995 with a plug set in the tubing. The tubing was perforated at the Mesa Verde since there was no tubing string in the Mesa Verde side. Since the packer will have to be milled out, it is intended to commingle production at the same time. In addition, the Dakota produces a lot of fluid and the Mesa Verde flowstream will help keep the well unloaded. The Dakota should return to production at 25 MCFD.

Current Mesa Dakota Rate:	0 MCFD
Projected Dakota Rate:	25 MCFD & 1 BO

Incremental Uplift:	25 MCFD & 1 BO
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Increased Revenue Stream

Gas Revenue	$25 * 1.50 * 30 = \$1125$
Oil Revenue	$1 * 14.00 * 30 = \underline{\$420}$
Increased Monthly Revenue	\$1545

Increased Royalty	\$193 per month
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Downhole commingling will eliminate the waste by returning an inactive well to production and stabilize the flowstream and extend the life of the well through increased efficiencies.