Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR

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

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BUREAU (BUREAU OF LAND MANAGEMENT		
SUNDRY NOTICES Do not use this form for proposals to o	Jicarilla 152 6. If Indian, Allottee or Tribe Name		
Use "APPLICATION F	Jicarilla Apache		
	MIT IN TRIPLICATE	7. If Unit or CA, Agreement Designation	
1. Type of Well Oil X Gas Well Other 2. Name of Operator	OCI - 2 1000	8. Well Name and No. — Jicarilla 152W 4	
ENERGEN RESOURCES CORPORATION 3. Address and Telephone No. 2198 Bloomfield Highway, Farmin 4. Location of Well (Footage, Sec., T., R., M., or Surv 1480' FSL, 1665' FWL, Sec. 5, To	9. API Well No. 30-039-21727 10. Field and Pool, or exploratory Area S. Blanco Pictured Cliffs/ Blanco Mesaverde		
		11. County or Parish, State Rio Arriba NM	
CHECK APPROPRIATE RO	DX(s) TO INDICATE NATURE OF NOTICE, REPORT		
TYPE OF SUBMISSION	TYPE OF ACTION		
X Notice of Intent	Abandonment	Change of Plans	
Subsequent Report Final Abandonment Notice	Recompletion Plugging Back Casing Repair Altering Casing X Other	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.)	
3. Describe Proposed or Completed Operations (Clearly s	tate all pertinent details, and give pertinent dates, including estimated date of star ue vertical depths for all markers and zones pertinent to this work.)*	ting any proposed work. If well is directionally drilled,	
It is intended to Downhole Comm			
1. MIRU. TOH and lay down 1 1/4 2. TIH and clean out to 5780'.	" tubing. Release seal assembly and TOH. Land tubing at 5730'. Install single wellhead.	99 00" - 1 P1 2: 05	

14. I hereby certify that the foregoing is true and correct Signed	Title Production Superintendent	Date 10/1/99
(This space for Federal or State office use) Approved by Conditions of approval, if any:	Title Patro. E-j.	Date

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 152W 4 Unit K, Section 5, T 26 N, R 5 W Rio Arriba Co., N.M.

Subject: Economic Justification To Downhole Commingle

Current Oil Price -- \$20.00 Current Gas Price -- \$2.10 Net less gathering & processing

The Pictured Cliffs has experienced liquid loading problems and requires time cycle controling to keep it producing. 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: 240 MCFD & 1 BOPD

Projected Mesa Verde Rate: 250 MCFD & 11/2 BO Current PC Rate: 127 MCFD

Projected PC Rate: 127 MCFD
127 MCFD
140 MCFD

Incremental Uplift: 23 MCFD & 1/2 BO

Increased Revenue Stream

Gas Revenue 23 * 2.10 * 30 = \$1449 Oil Revenue .5 * 20.00 * 30 = \$300 Increased Monthly Revenue \$1749

Increased Royalty \$219 per month

Downhole commingling will eliminate the waste of having the Pictured Cliffs shut in, stabilize the flowstream and extend the life of the well through increased efficiencies.