

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

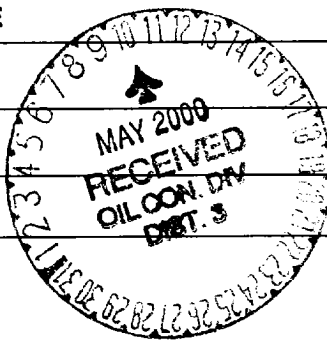
ENERGEN RESOURCES CORPORATION

3. Address and Telephone No.

2198 Bloomfield Highway, Farmington, NM 87401

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

1735' FSL, 1105' FEL, Sec. 3, T26N, R3W, N.M.P.M.



FORM APPROVED

Budget Bureau No. 1004-0135

Expires: March 31, 1993

5. Lease Designation and Serial No.

Jic Cont 115

6. If Indian, Allottee or Tribe Name

Jicarilla Apache

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Johnston Shear 1A

9. API Well No.

30-039-26262

10. Field and Pool, or exploratory Area

Blanco MV/WC:26N3W3I:GL

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 ADD MV & DHC
☐ 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 ADD the Mesaverde and downhole commingle it with the Gallup as follows:

1. MIRU. TOH with tubing.
2. Set CIBP at 6200'. Selectively perforate and frac Mesaverde.
3. TIH and cleanout to PBTD. Land tubing at 7500'. Return to production.

RECEIVED
BLM
00 APR 20 AM 10:31
DIO ALBUQUERQUE, N.M.

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

Signed Monica Papp

Title Production Assistant

Date 4/17/00

(This space for Federal or State office use)

Lands and Mineral Resources

Approved by [Signature]

Title

Date 5/5/00

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

Johnston Shear 1A
Unit I, Section 3, T 26 N, R 3 W
Rio Arriba Co., N.M.

Subject: Economic Justification To Downhole Commingle

Current Oil Price -- \$24.00

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

This subject well was drilled to the Gallup to test the productivity of the Gallup in this area. Production results show the well to be uneconomic at its current flow rate. Due to the log characteristics of the Mesa Verde, it is intended to complete the Mesa Verde and commingle it with the Gallup to make the well economic. The Mesa Verde should add 250 MCFD to the flowstream.

Current Rate:	56 MCFD & 3 BOPD
Projected Mesa Verde Rate:	250 MCFD & 2 BO

Incremental Uplift:	250 MCFD & 2 BO
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Increased Revenue Stream

Gas Revenue $250 * 2.10 * 30 = \$15,750$

Oil Revenue $2 * 24.00 * 30 = \underline{\$1,440}$

Increased Monthly Revenue \$17,190

Increased Royalty	\$2149 per month
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Downhole commingling will eliminate waste by recovering marginal reserves, assist in keeping the well unloaded, stabilize the flowstream and extend the life of the well through increased efficiencies.