

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
811 S. First St., Artesia, NM 88210-2835
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
2040 S. Pacheco
Santa Fe, New Mexico 875054-6429

Form C-107-A
New 3-12-96

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Taurus Exploration U.S.A., Inc. Address 2198 Bloomfield Highway, Farmington, New Mexico

Lease Jicarilla 95 Well No. #6 Unit Ltr. - Sec - Twp - Rge M Sec. 36 T27N R3W County Rio Arriba

OGRID NO 162928 Property Code 007164 API NO 30-039-06790 Spacing Unit Lease Types: (check 1 or more)
Federal ☒ State ☐ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling	Upper Zone	Intermediate Zone	Lower Zone
1 Pool Name and Pool Code	Gavilan PC 77360		Blanco MV 72319
2 Top and Bottom of Pay Section (Perforations)	3712-3791		5518-6008
3 Type of production (Oil or Gas)	gas		gas
4 Method of Production (Flowing or Artificial Lift)	flowing		flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift Gas & Oil - Flowing All Gas Zones Estimated Current Measured Current Estimated Or Measured Original	a (Current) 526 calc. b (Original) 1075 calc.	a b	a. 286 calc. b. 1899 calc.
6. Oil Gravity (^o API) or Gas BTU Content)	1215 BTU		1214 BTU
7. Producing or Shut-in?	producing		producing
Production Marginal? (yes or no)	yes		no
* If Shut-In, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: Rates:	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 5/8/98 Rates: 0/35/.50	Date: Rates:	Date: 6/2/98 Rates: .50/154/0
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % Gas: % See Attached Allocation Method	Oil % Gas: %	Oil: % Gas: %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☐ No
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No

11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No

13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)

14. If this well in on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). _____

16. ATTACHMENTS:

- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation method or formula.
- * Notification list of all offset operators.
- * Notification list of working, overriding, and royalty interests for uncommon interest cases.
- * Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE Prod. Superintendent DATE 7/1/98

TYPE OR PRINT NAME Gary W. Brink TELEPHONE NO. (505) 325-6800

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☒ AMENDED REPORT

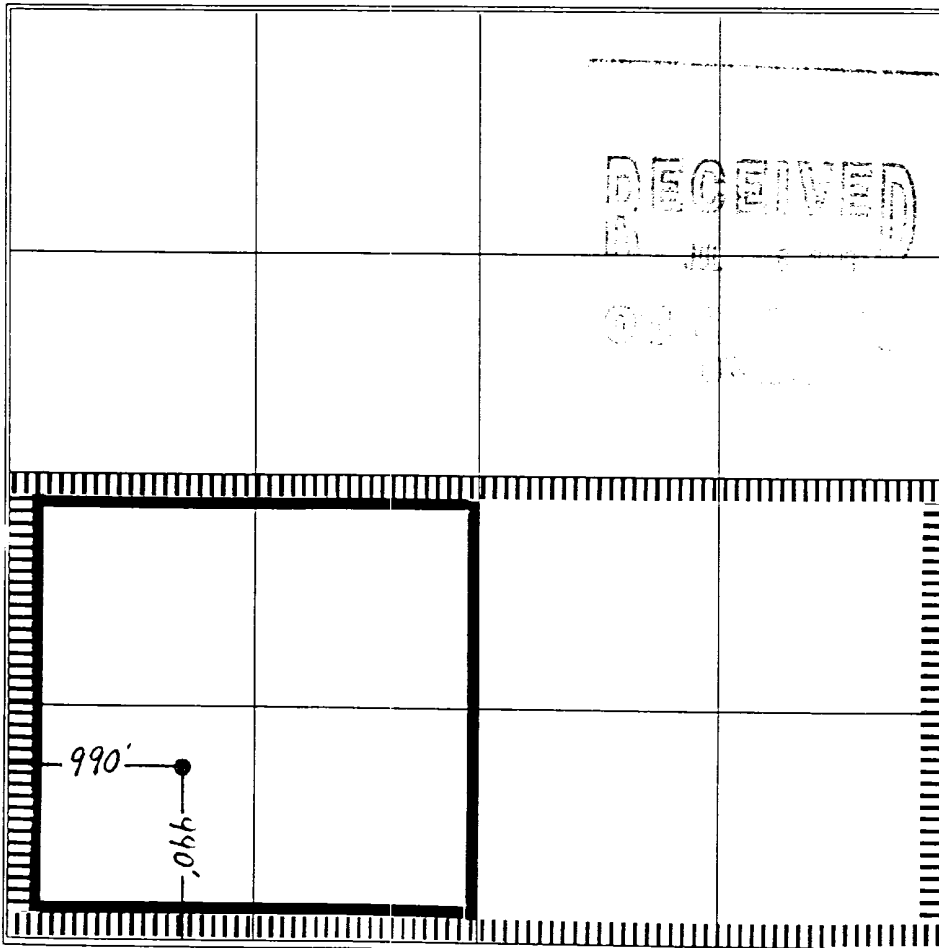
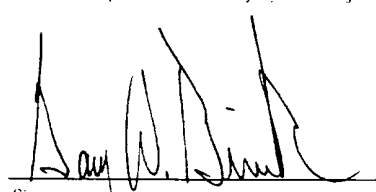
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-06790	² Pool Code 77360/72319	³ Pool Name Gavilan PC/Blanco MV
⁴ Property Code 007164	⁵ Property Name Jicarilla 95	⁶ Well Number 6
⁷ OGRID No. 162928	⁸ Operator Name Taurus Exploration, U.S.A., Inc.	⁹ Elevation 7123' GL

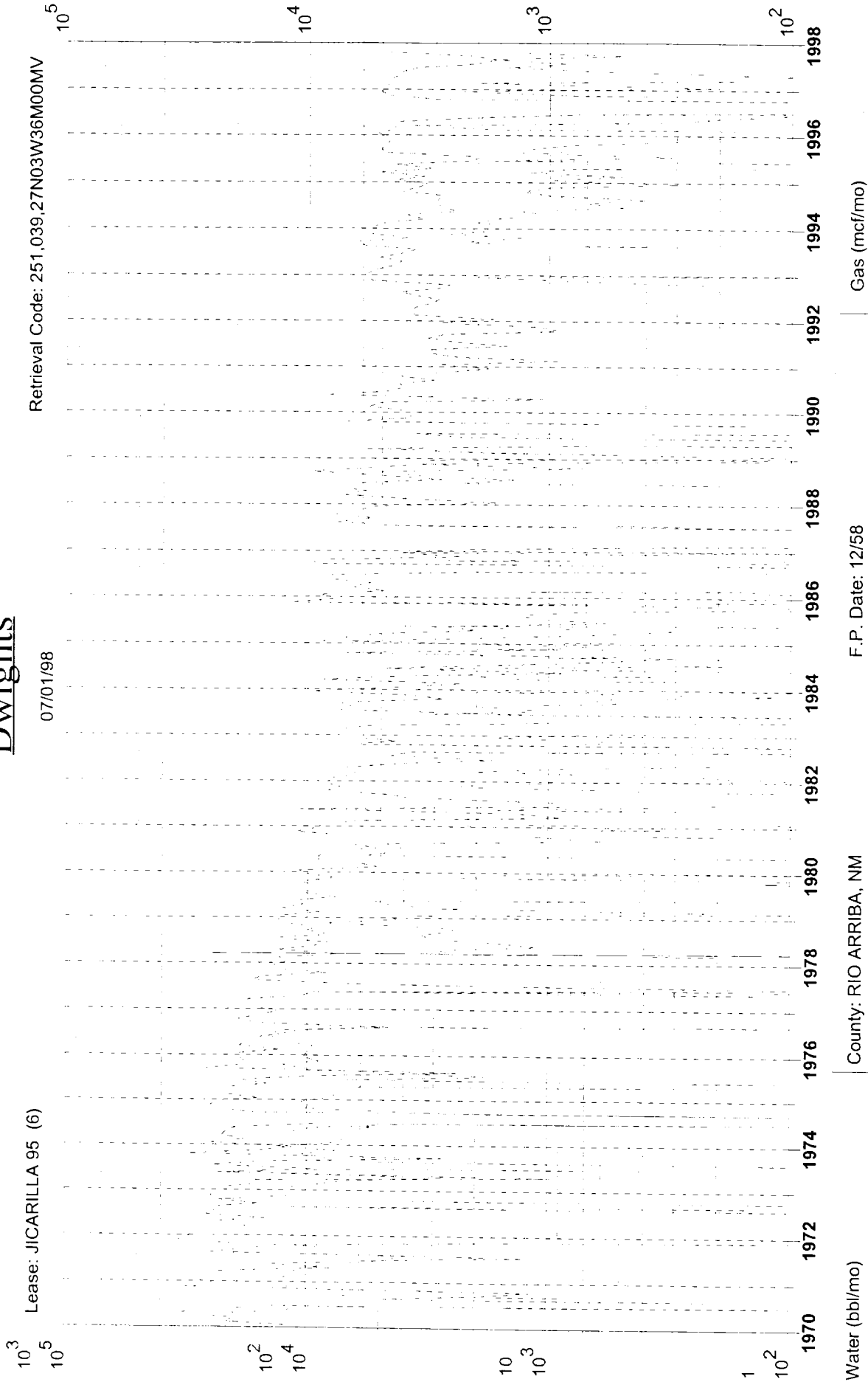
¹⁰ Surface Location									
UL or lot no. M	Section 36	Township 27N	Range 3W	Lot. Idn	Feet from the 990'	North/South Line South	Feet from the 990'	East/West line West	County Rio Arriba

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
¹² Dedicated Acres 160/320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON--STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Gary W. Brink Printed Name Production Superintendent Title 7/1/98 Date
	¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> Date of Survey Signature and Seal of Professional Surveyor: Reissue of original survey Certificate Number

Dwights



County: RIO ARRIBA, NM

Field: BLANCO (MESAVERDE) MV

Reservoir: MESAVERDE

Operator TAURUS EXPLORATION U.S.A.

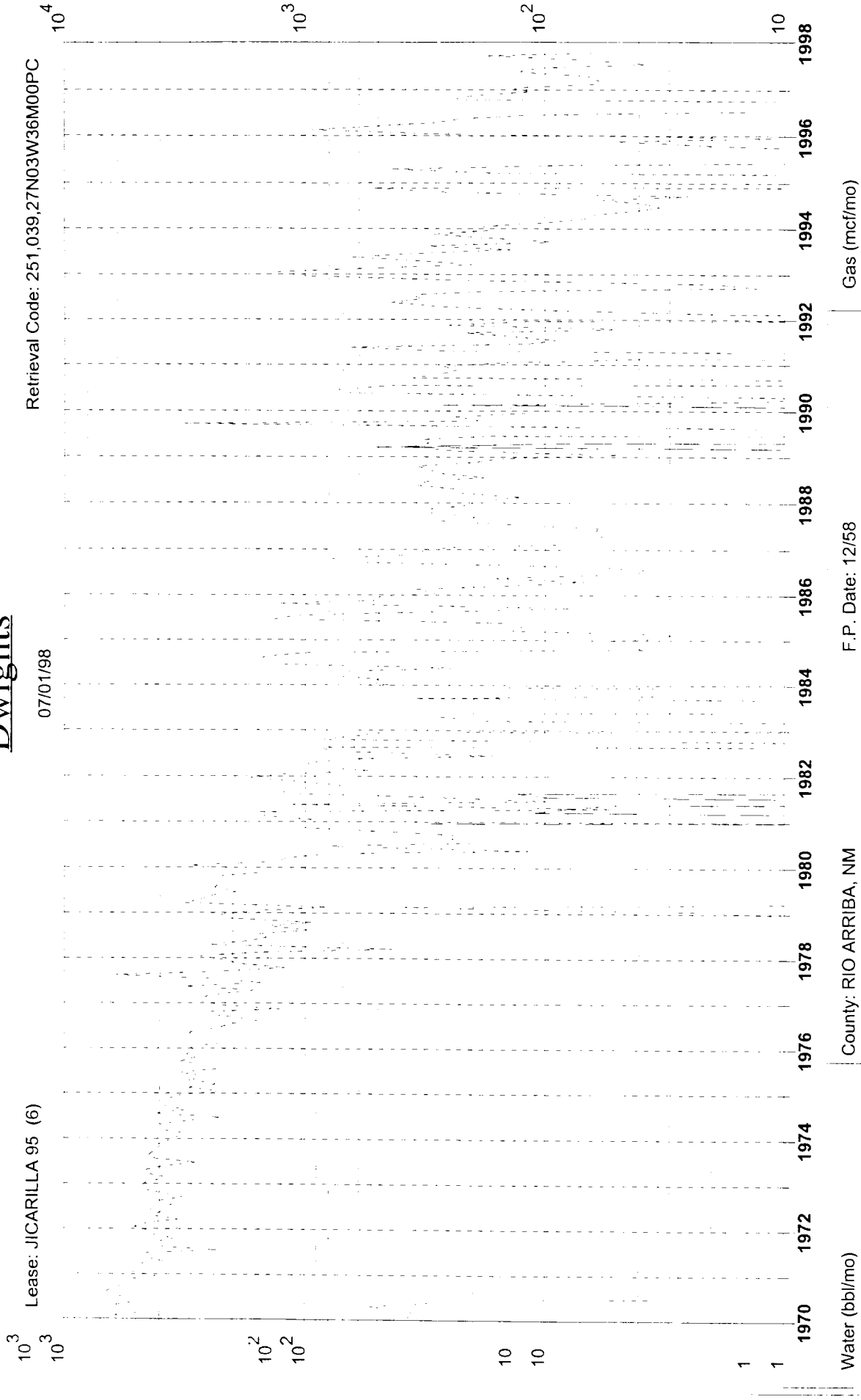
F.P. Date: 12/58

Oil Cum: 22.47 mbbl

Gas Cum: 5585 mmcf

Location: 36M 27N 3W

Dwights



County: RIO ARriba, NM	F.P. Date: 12/58
Field: GAVILAN (PICTURED CLIFFS) PC	Oil Cum: 3068 bbl
Reservoir: PICTURED CLIFFS	Gas Cum: 1312 mmcf
Operator TAURUS EXPLORATION U.S.A.	Location: 36M 27N 3W

Taurus Exploration U.S.A., Inc

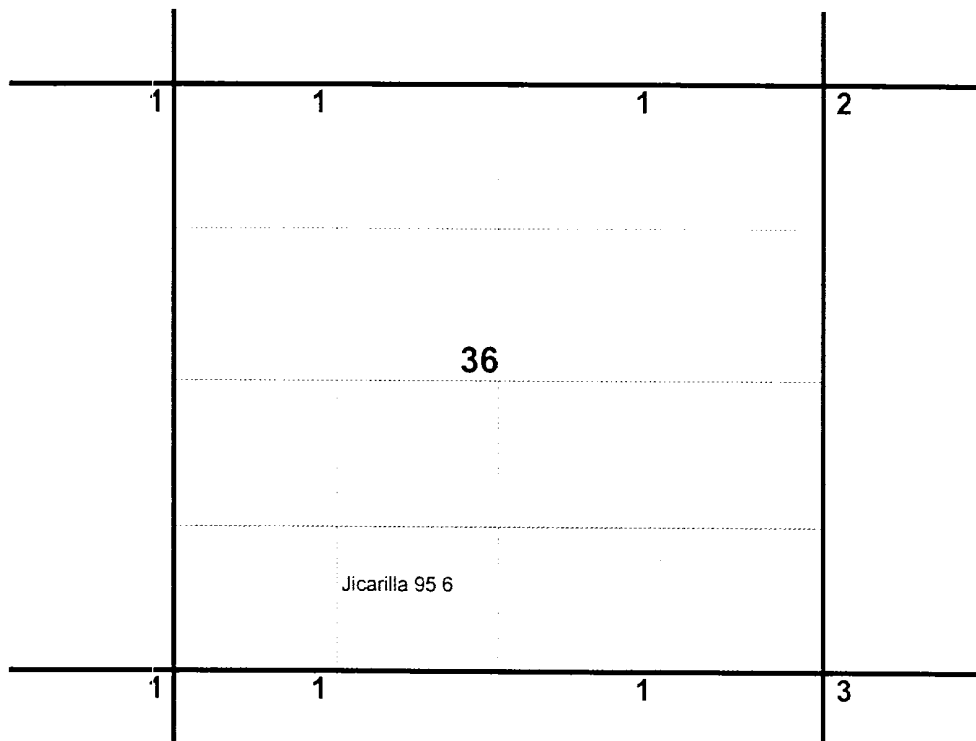
Jicarilla 95 #6

Offset Operator / Ownership Plat

Gavilan Pictured Cliffs/ Blanco Mesa Verde

Downhole Commingling

Township 27 N, Range 3 W



- 1) Taurus Exploration U.S.A., Inc
- 2) Jicarilla Energy Co.
P.O. Box 950
Dulce, N.M. 87528
- 3) Coleman Oil & Gas, Inc.
P.O. Drawer 3337
Farmington, N.M. 87401

Kpc
Kmv

Kpc-S
Kmv

Kpc
Kmv

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Taurus Exploration U.S.A., Inc.

Jicarilla 95 #6

Unit M, Sec . 36, T 27 N, R 3 W

Rio Arriba Co., N.M.

Well Location Plat

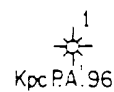
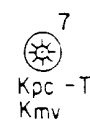


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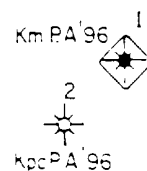


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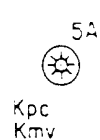
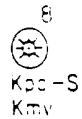
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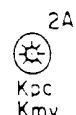
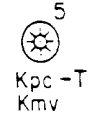
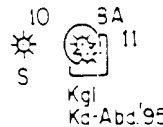


T
27
N

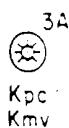


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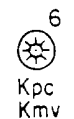


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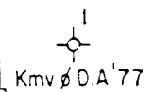


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R - 3 - W

Jicarilla 95 #6
Unit M, Sec.36, T 27 N, R 3 W
Rio Arriba Co., N.M.

Proposed Allocation Method

Produce total well stream for 30 days following upper Mesa Verde pay add
Pay Add projected to add 70 MCFD to Mesa Verde flow stream

Total Stream = X
Pictured Cliffs rate = 35 MCFD

PC Allocation = $35 / X$ as a percentage

MV Allocation = $(X - 35) / X$ as a percentage

Oil Allocation = 100 % to Mesa Verde Zone

Rates will be reported to NMOCD - Aztec for final allocation percentage determination