

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

Taurus Exploration, U.S.A., Inc.

3. Address and Telephone No.

2198 Bloomfield Highway; Farmington, NM 87401

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

900' FSL, 990' FWL, SEC. 36, T27N, R3W, NMPM

RECEIVED
AUG 11 1998

OIL CON. DIV.
DIST. 2

5. Lease Designation and Serial No.

Jicarilla 95 Contract

6. If Indian, Allottee or Tribe Name

Jicarilla

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Jicarilla 95 #6

9. API Well No.

30-039-06790

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, 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 Pay and 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 add the Upper Mesaverde/Lewis Shale and downhole commingle as follows:

1. TOH and lay down PC tubing string.
2. Release seal assembly and TOH.
3. TIH with packer milling assembly. Mill out packers and 3880' and 5484'. TOH.
4. Set CIBP at 5450'. TIH with packer to 3900'. Test casing to 3000#. TOH.
5. Run GR-CBL-CNL from 4100' to 5400'. Selectively perforate Mesaverde from 4320-5370'.
6. TIH with packer to 4000'. Fracture Mesaverde with 70 Q foam and sand.
7. TOH with packer. TIH and clean out to 6020'. TOH.
8. Run tubing set at 5950'. Install single wellhead.

Note: Top of Huerfanito Bentonite is 4228'.

An application to downhole commingle has been filed with the NMOCD.

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

Signed

Title Production Superintendent

Date 7/2/98

(This space for Federal or State office use)

Approved by

Title

Lands and Mineral Resources

Date

AUG 10 1998

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

Subject: Economic Justification To Downhole Commingle

Current Oil Price -- \$12.00
Current Gas Price -- \$1.20 Net less gathering & processing

The Gavilan Pictured Cliffs side of this dual completion has extreme liquid loading problems. Operationally, the well requires unloading every 3-4 days to keep the well producing at its average rate. When the well is blown, it will flow at 60 MCFD for one day and load up and die in several days. In addition, it is intended to add additional Mesa Verde pay in the Lewis Shale Interval. Since all the downhole equipment must be removed to do the completion work, it is the ideal time to improve the mechanical condition of the well. Commingling will allow lowering of the tubing string to the bottom perforations, and the installation of a plunger system to stabilize to flowstream and utilize the Mesa Verde gas to keep the well unloaded.

Current Pictured Cliffs Rate:	35 MCFD
Projected Pictured Cliffs Rate:	60 MCFD
Projected MV uplift	70 MCFD & ½ BO

Incremental Uplift:	95 MCFD & ½ BO
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Increased Revenue Stream

Gas Revenue	$95 * 1.20 * 30 =$	\$3420
Oil Revenue	$\frac{1}{2} * 12.00 * 30 =$	<u>\$180</u>
Increased Monthly Revenue		\$3600

Increased Royalty	\$450 per month
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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.

CONDITIONS OF APPROVAL FOR DOWNHOLE COMMINGLING

Operator Taurus Expl USA Inc. Well Name Jic. 95 #6

1. The individual production zones will be tested every three years, or more often if production rates indicate a change to allocation factors, to verify that the allocation factors and methods remain proper.
2. Production from downhole commingled wells are to be reported with an alpha character, "C" (ie C1, C2, etc).
3. The following modifications to your downhole commingling program are to be made :

Submit production allocation formula upon completion of testing.

Submit well bore diagram upon completion of well.