

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

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

DISTRICT II
811 S. First St., Artesia, NM 88210-2835

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 875054-6429

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410-1693

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Taurus Exploration U.S.A., Inc. Address 2198 Bloomfield Highway, Farmington, New Mexico 87401

Lease Nye Federal Well No. 1 Unit Ltr. - Sec - Twp - Rge M 20 31N 12W County San Juan

OGRID NO. 162928 Property Code 007367 API NO. 30-045-10478 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	Blanco/Mesa Verde 72319		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	4780-4982		6948-7079
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: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 459 calc. b. (Original) 1270 calc.	a. b.	a. 540 calc. b. 2551 calc.
6. Oil Gravity (^o API) or Gas BTU Content)	1199 BTU		1222 BTU
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	Yes		Yes
* 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: 2/26/98 Rates: 0/60/0	Date: Rates:	Date: 2/23/98 Rates: .50/15/0
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0 % Gas: 80 %	Oil: % Gas: %	Oil: 100 % Gas: 20 %

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 4/20/98

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 30-045-10478	² Pool Code 72319/71599	³ Pool Name Blanco Mesa Verde/Basin Dakota
⁴ Property Code 007367	⁵ Property Name Nye Federal	⁶ Well Number 1
⁷ OGRID No. 162928	⁸ Operator Name Taurus Exploration, U.S.A., Inc.	⁹ Elevation 6072

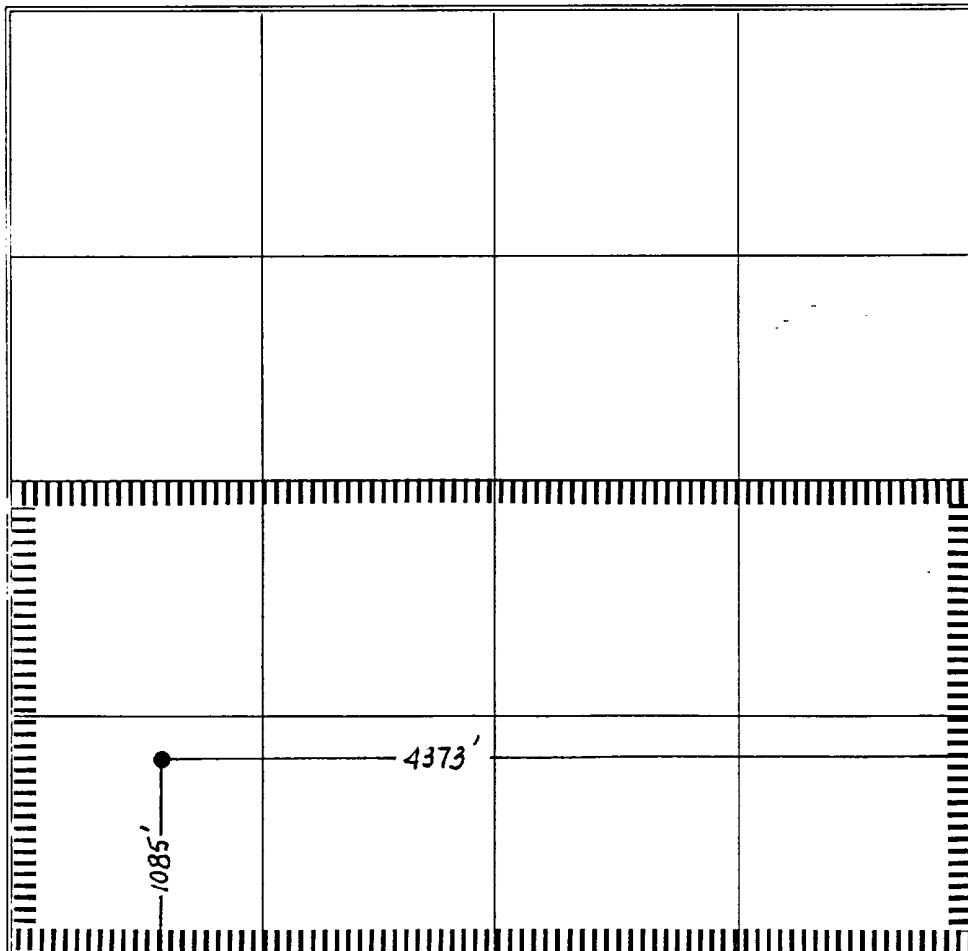
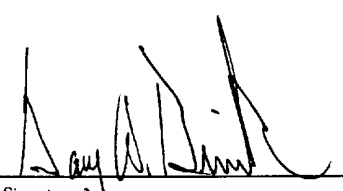
¹⁰ Surface Location

UL or lot no. M	Section 20	Township 31N	Range 12W	Lot. Idn	Feet from the 1085	North/South Line South	Feet from the 4373	East/West line East	County San Juan
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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 308.79	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. Com. Pool Unit #156 Com. Agr. #14-08-001-6357						

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

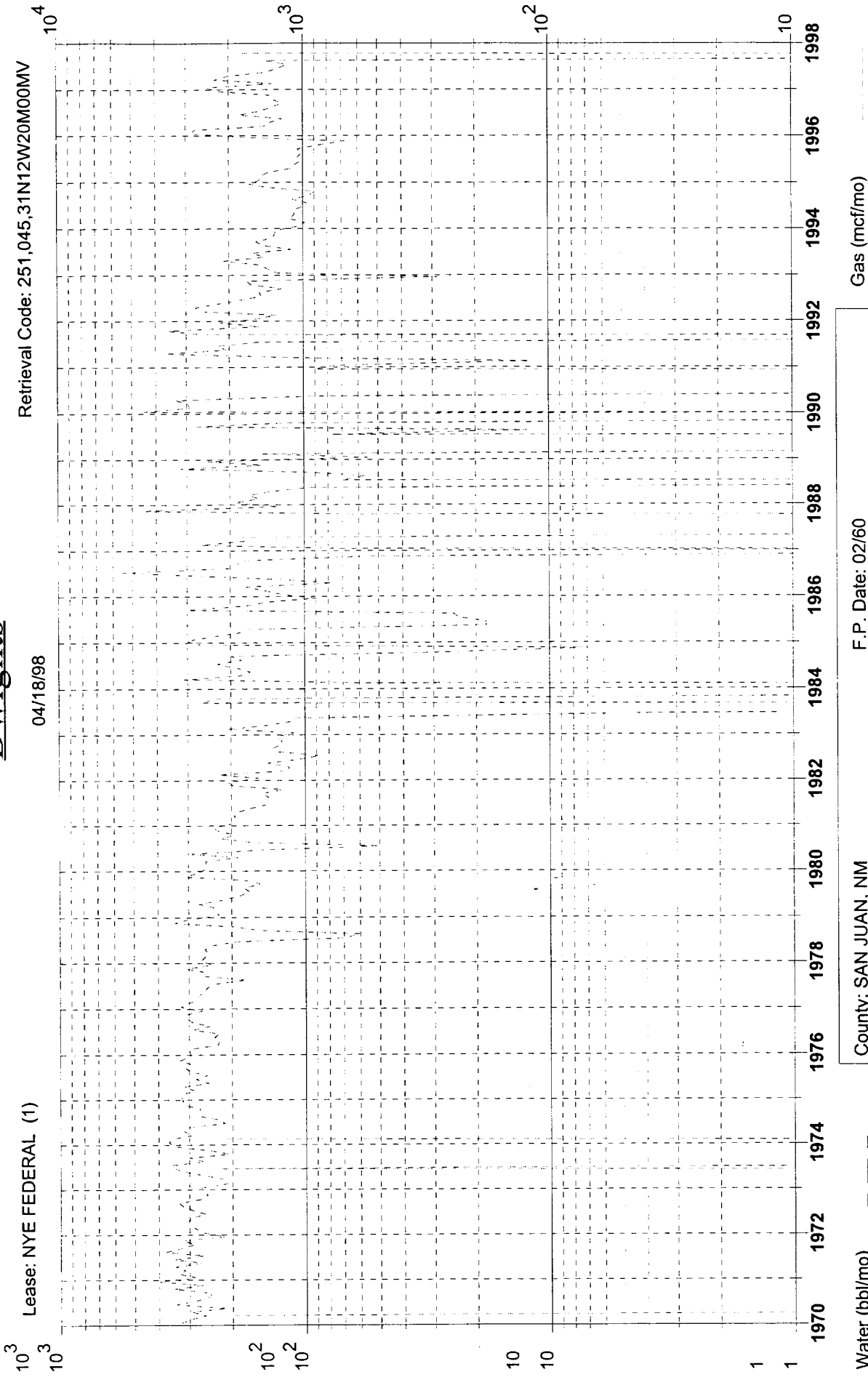
	<p>¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p> Signature Gary W. Brink Printed Name Production Superintendent Title 4/20/98 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that 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></p> <p>January 15, 1959 Date of Survey Signature and Seal of Professional Surveyer: Reissue of original survey by E.L. Poteet Certificate Number</p>

Dwights

Lease: NYE FEDERAL (1)

04/18/98

Retrieval Code: 251,045,31N12W20M00MV



F.P. Date: 02/60

County: SAN JUAN, NM

Oil Cum: 1051 bbl

Field: BLANCO (MESAVARDE) MV

Gas Cum: 995.8 mmcf

Reservoir: MESAVARDE

Location: 20M 31N 12W

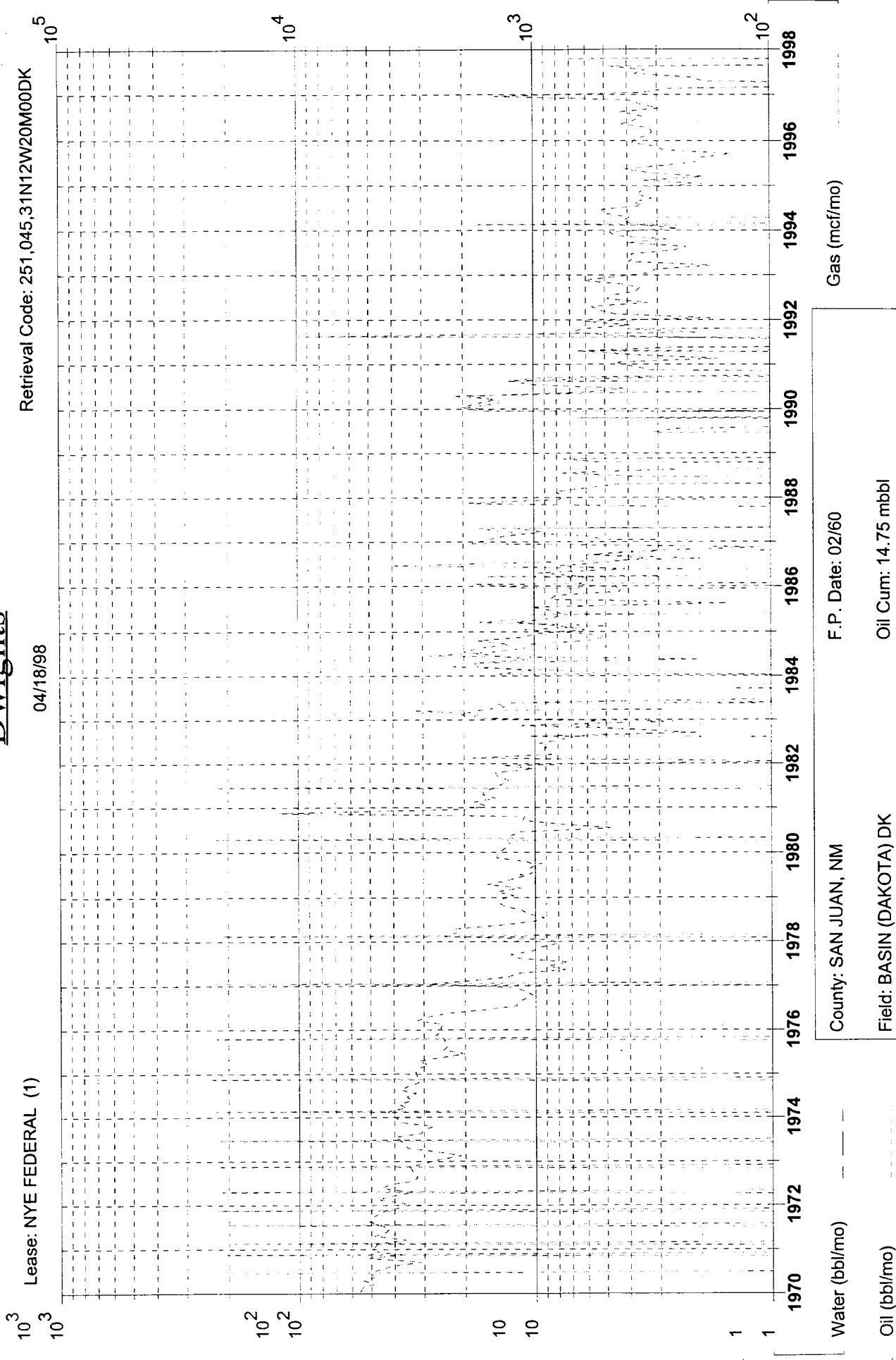
Operator TAURUS EXPLORATION U.S.A.

Dwights

Lease: NYE FEDERAL (1)

04/18/98

Retrieval Code: 251,045,31N12W20M00DK

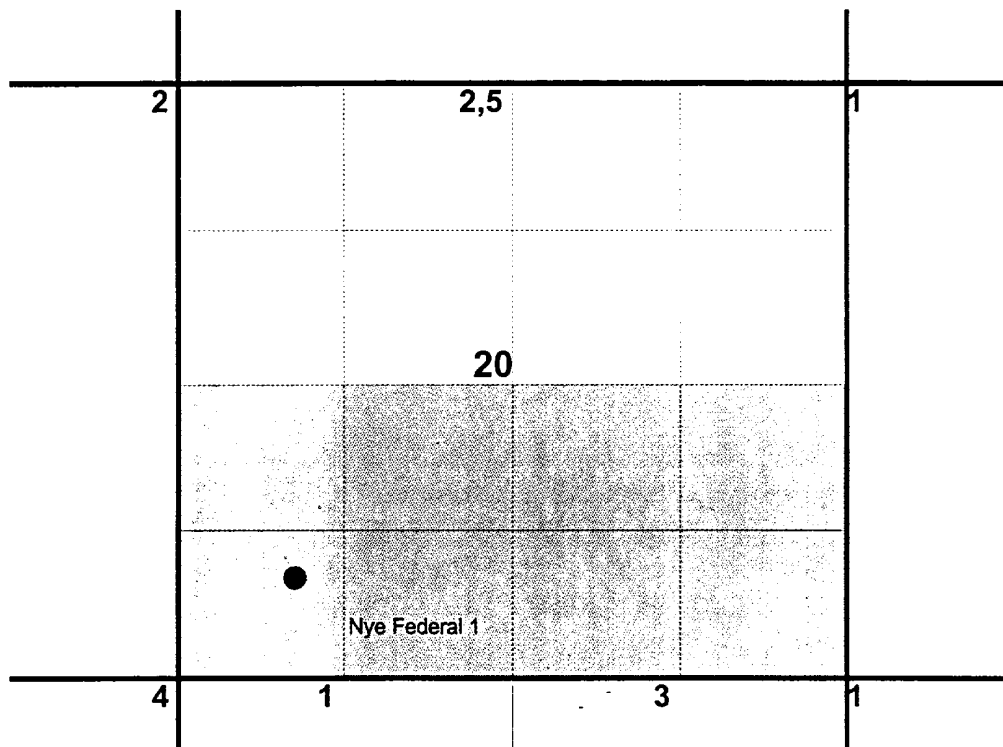


County: SAN JUAN, NM	F.P. Date: 02/60
Field: BASIN (DAKOTA) DK	Oil Cum: 14.75 mbbl
Reservoir: DAKOTA	Gas Cum: 1629 mmcf
Operator TAURUS EXPLORATION U.S.A.	Location: 20M 31N 12W

Taurus Exploration U.S.A., Inc

Nye Federal #1
Offset Operator / Ownership Plat
Blanco Mesa Verde/ Basin Dakota
Downhole Commingling

Township 31 N, Range 12 W



- 1) Burlington Resources
P.O. Box 4289
Farmington, N.M. 87499-4289
- 2) Chateau Oil & Gas, Inc.
5802 Highway 64
Farmington, N.M. 87401
- 3) Cross Timbers
6001 U.S. Hwy 64
Farmington, N.M. 87401
- 4) R C Resources Corp
8340 Meadow Rd., Ste 230
Dallas, Tx. 75231
- 5) Marathon Oil Company
Box 552
Midland, Tx. 79702

