



DIST. 3

April 2, 2012 New Mexico Oil Conservation Division Attn: Mr. Charlie Perrin 1000 Rio Brazos Road Aztec, NM 87410

> Jicarilla 97 #6M Unit L, Section 7, T26N, R03W Rio Arriba County, New Mexico Blanco-Mesaverde (72319) & Basin Dakota (71599) Administrative Order R-11363 DHC-3691AZ API# 30-039-31025

Mr. Perrin:

Energen Resources recently finished completion operations on the subject well. In accordance to the approved C-103, the supervisor of the Aztec District Office of the NMOCD shall determine the proper production allocation.

Due to completion complications, this well was completed in the Dakota, and then had significant wellwork before completing in the Mesaverde. A composite bridge plug was set below the Mesaverde to isolate the Dakota during stimulation of the Mesaverde. After completion of the Mesaverde, the well was tested through a 1/4" choke for 2 hours at a stabilized rate of 85 mcf/d. The composite plug was then drilled out and a packer was run to flow test the Dakota through a 3/8" choke for several hours at a stabilized rate of 170 mcf/d. Both zones produced a trace of oil. The following allocation is recommended:

Oil Gas Blanco-Mesaverde 34% 50% 66% 50% Basin Dakota

If additional information is needed, please contact me at 505-325-6800.

Sincerely,

Adam Klem District Engineer

* must Lite with BLM