

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88241-1980
 DISTRICT II
 311 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

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

OIL CONSERVATION DIVISION

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

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

OPERATOR: ENERGEN RESOURCES CORPORATION ADDRESS: 2198 Bloomfield Highway, Farmington, NM 87401

LEASE: San Juan 32-5 Unit L3M I Sec. 25 T32N R6W Rio Arriba
 Well No. Unit Ltr. - Sec - Twp - Rge County

GRID NO. 162928 Property Code 21996 API NO. 30-039-25878 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 Mesaverde 72319		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	4500 - 6000		8030 - 8137
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) Not Yet Completed	RECEIVED JUL - 2 1999 OIL CON. DIV. DIST. 3	1143 Meas.
	b. (Original) 1300 Est.		2206 Meas.
6. Oil Gravity (^o API) or Gas BTU Content)	1000 BTU Est.		968 BTU
7. Producing or Shut-In?	Not Yet Completed		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: N/A Rates:	Date: Rates:	Date: 6/26/99 Rates: 0/54/.3
8. Fixed Percentage Allocation Formula - % for each zone	Oil: See % Gas: Attached %	Oil: % Gas: %	Oil: See % Gas: Attached %

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 communized 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.

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

SIGNATURE [Signature] TITLE Prod. Superintendent DATE 6/30/99

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

Box 1980, Hobbs, NM 88241-1980
 District II
 111 South First, Artesia, NM 88210
 District III
 1000 Rio Huerfano Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

30 APR 1998 PM 1:40 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number		* Pool Code		* Well Name	
		72319/71599		Blanco Mesa Verde/Basin Dakota	
* Property Code		* Property Name			* Well Number
		SAN JUAN 32-5 UNIT			13M
* OGRID No.		* Operator Name			* Elevation
162928		TAURUS EXPLORATION U.S.A., Inc.			6494

10 Surface Location

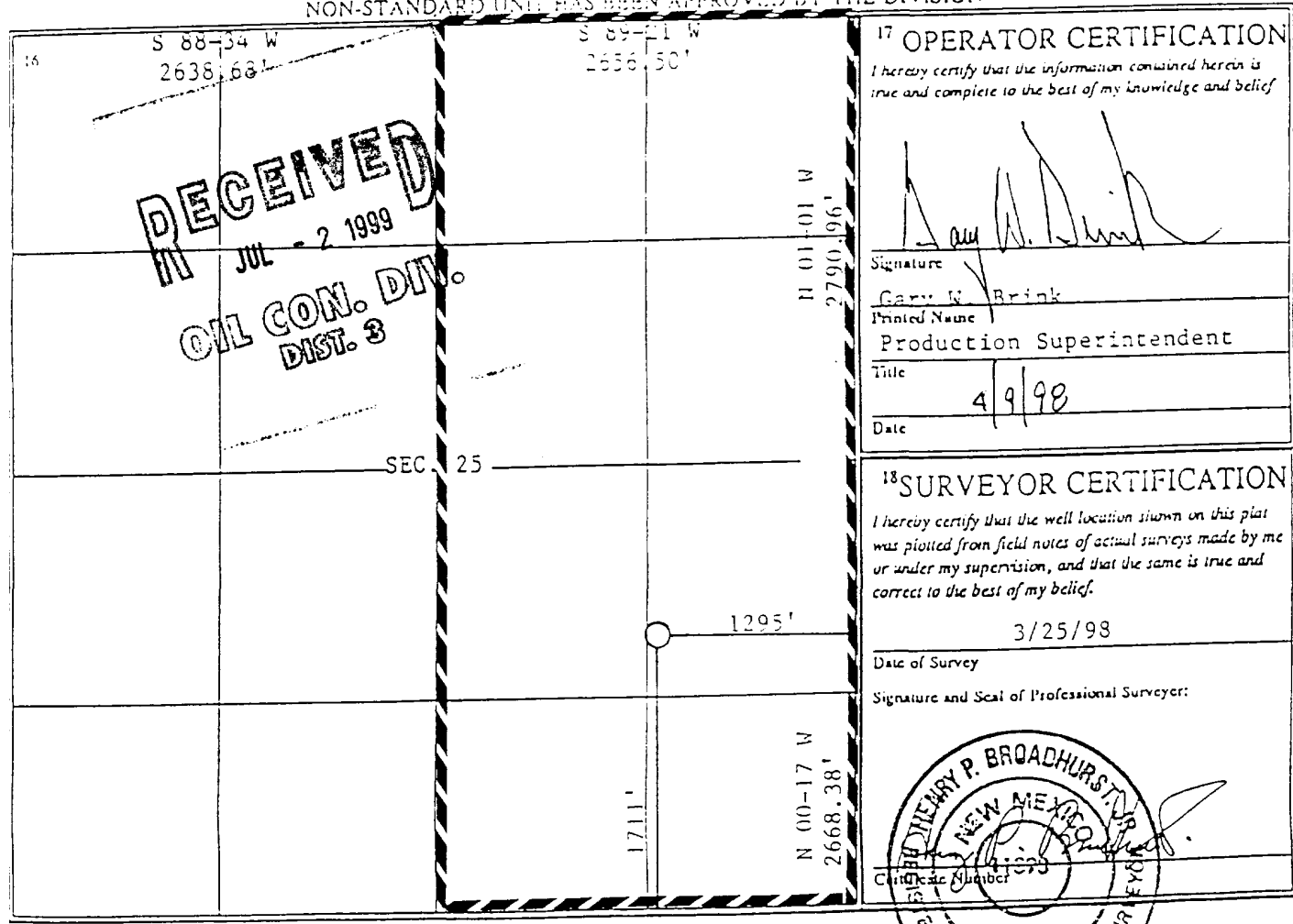
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	25	32N	6W		1711	SOUTH	1295	EAST	RIO ARRIBA

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

* Dedicated Acres	* Joint or Infill	* Consolidation Code	* Owner No.
320			

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

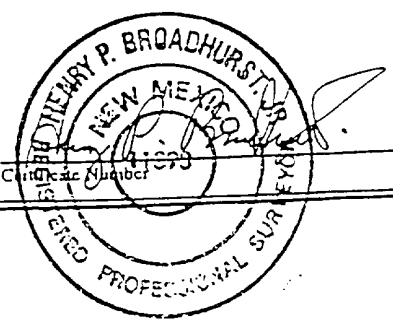


17 OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

[Signature]
 Signature
 Gary W. Brink
 Printed Name
 Production Superintendent
 Title
 4/9/98
 Date

18 SURVEYOR CERTIFICATION
 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.

3/25/98
 Date of Survey
 Signature and Seal of Professional Surveyor:

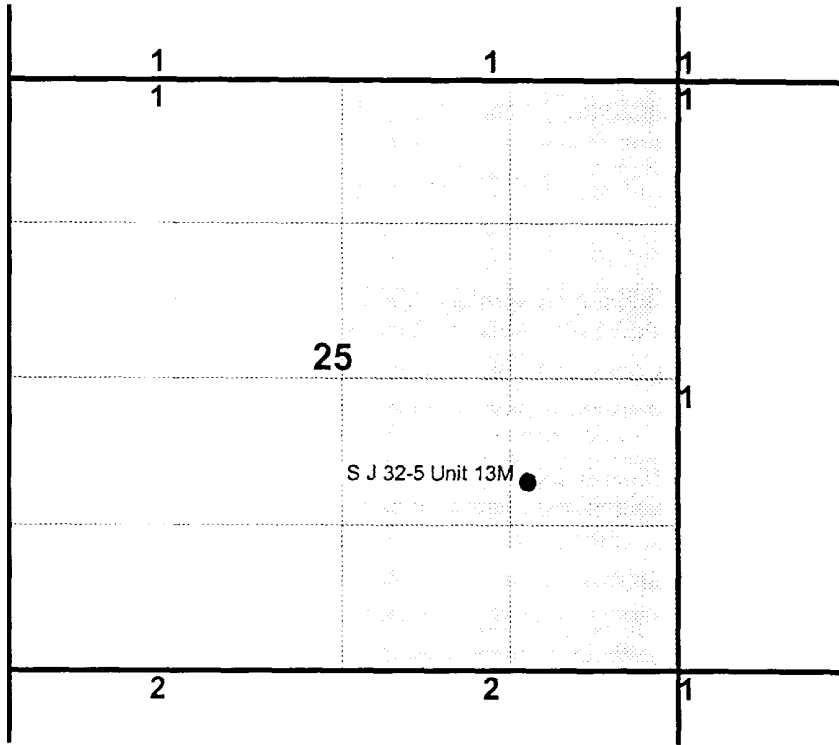


N 89-42 W
 5415.96'

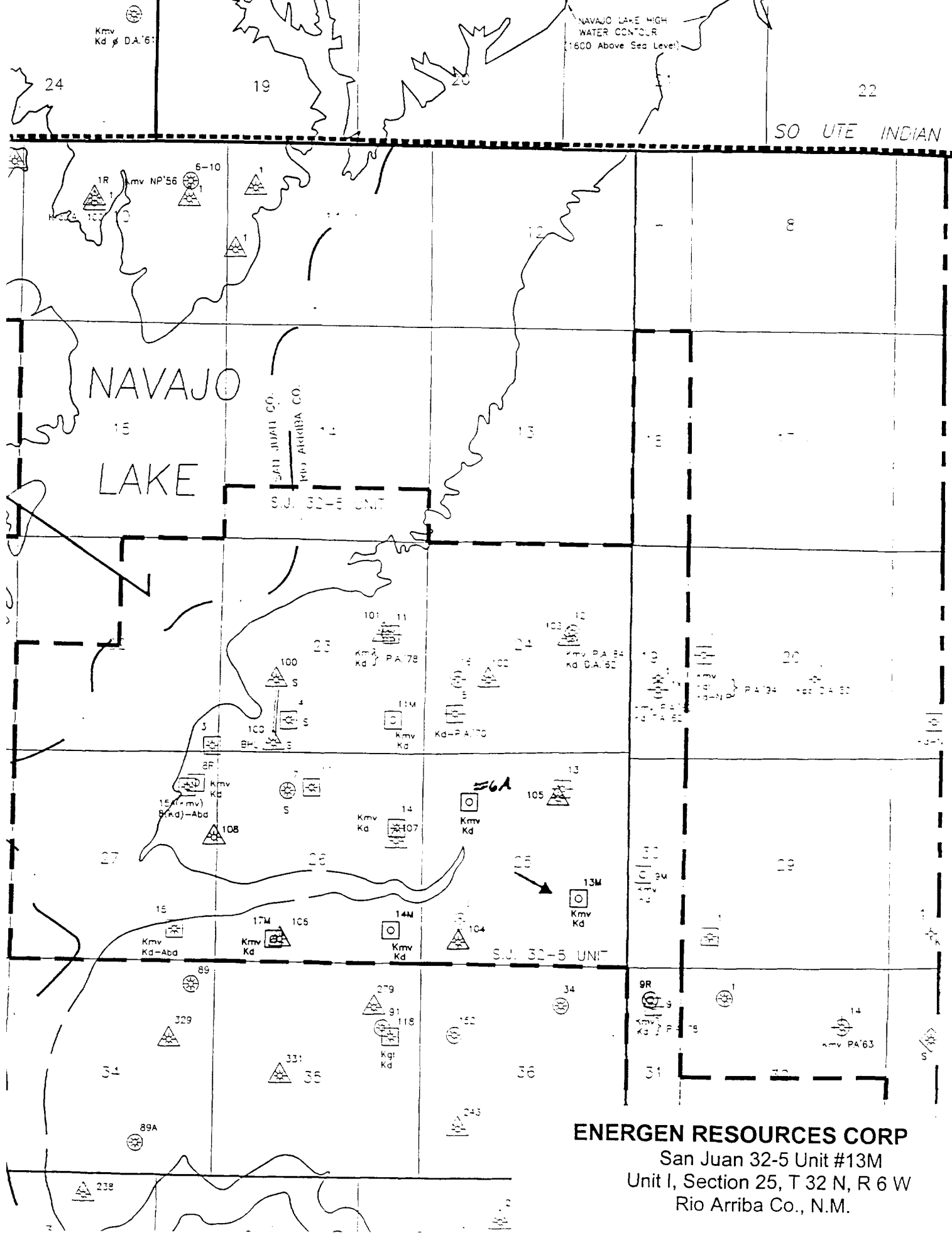
Energen Resources Corp.

San Juan 32-5 Unit #13M
Offset Operator / Ownership Plat
Blanco Mesa Verde/ Basin Dakota
Downhole Commingling

Township 32 N, Range 6 W



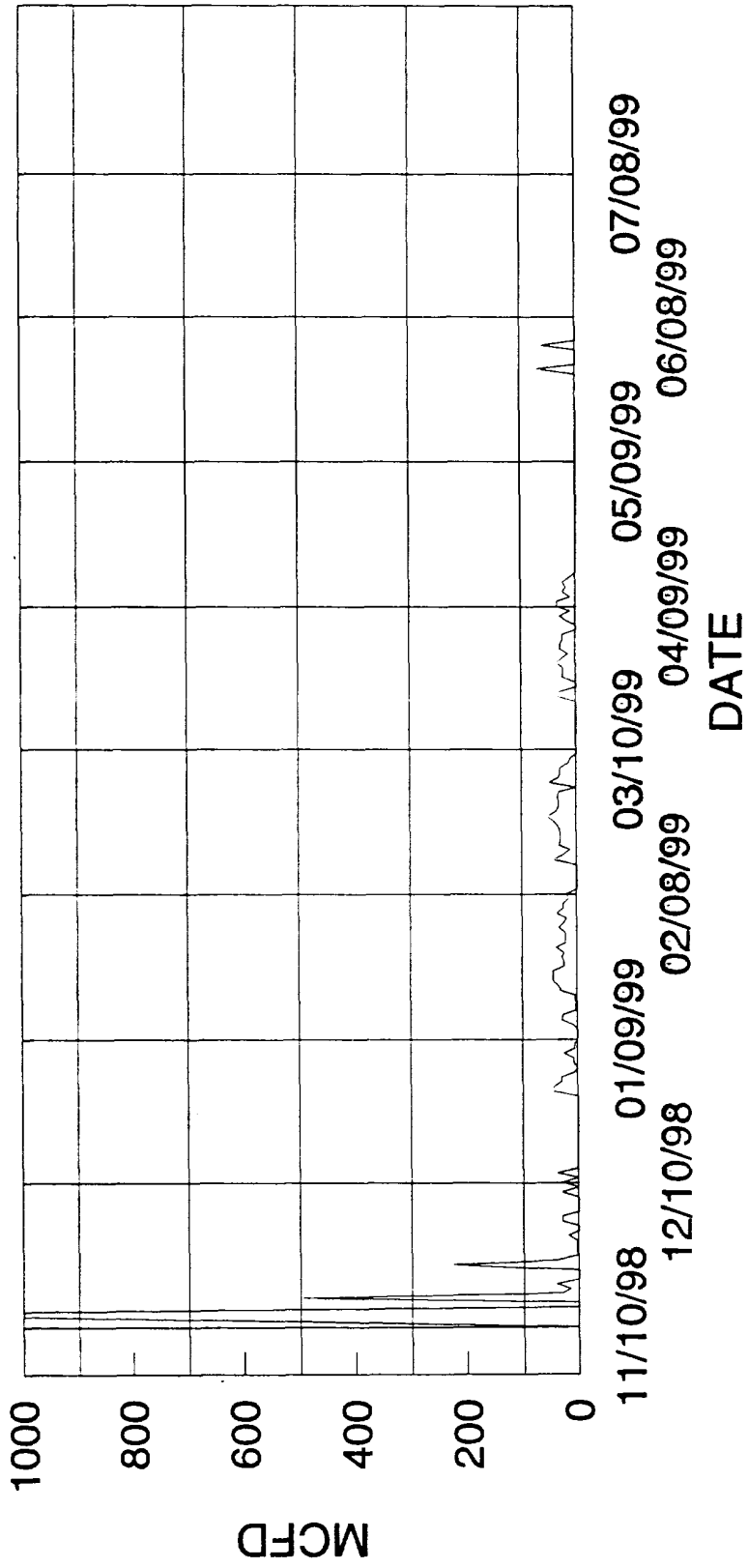
Resources Corporation
Production Co.
7-4
ns Center
k 74101



ENERGEN RESOURCES CORP
 San Juan 32-5 Unit #13M
 Unit I, Section 25, T 32 N, R 6 W
 Rio Arriba Co., N.M.

SAN JUAN 32 - 5 UNIT #13M

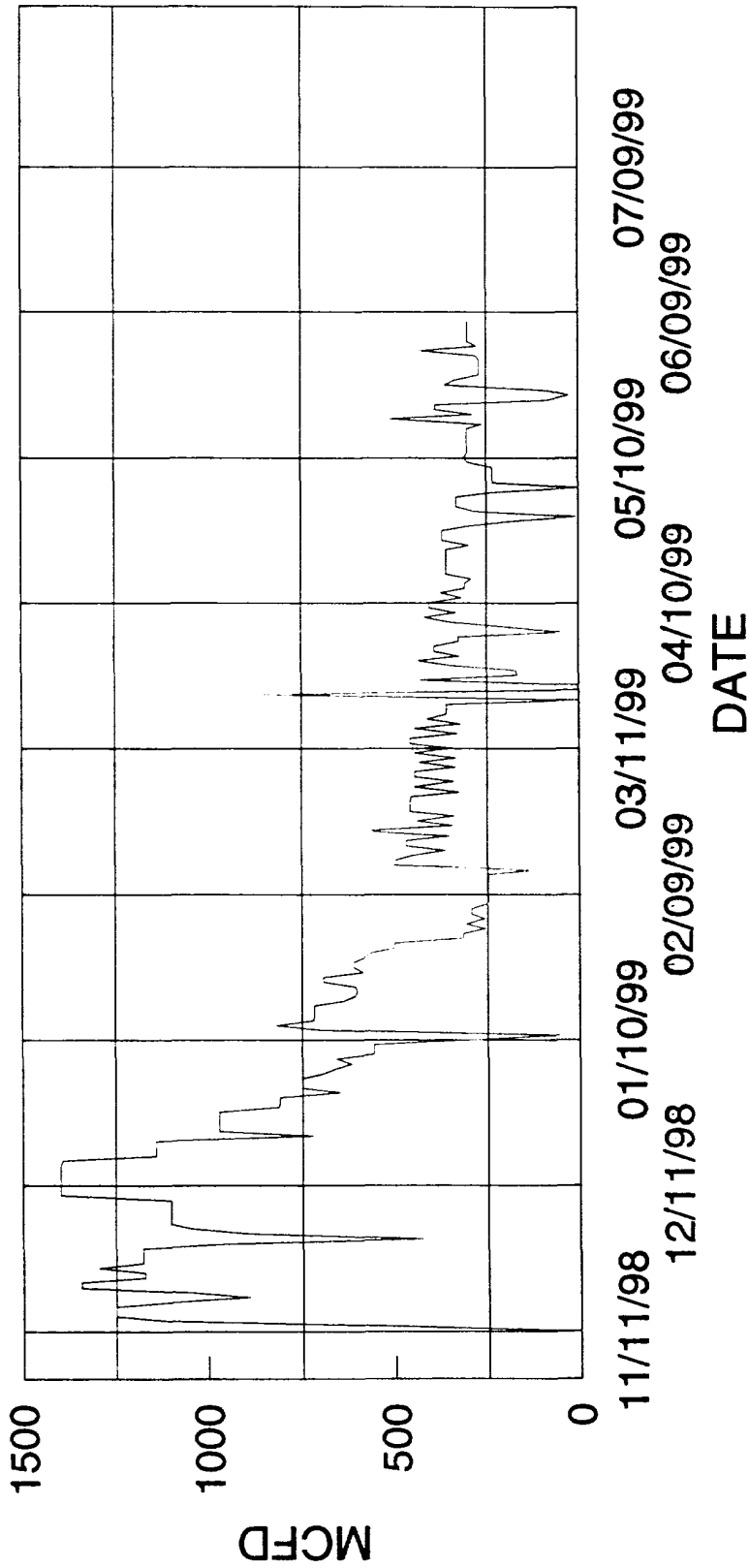
DAILY GAS PRODUCTION PLOT



— DAKOTA

SAN JUAN 32 - 5 UNIT #6A

DAILY GAS PRODUCTION PLOT



— MESAVERDE

San Juan 32-5 Unit #13M

Proposed Allocation Method

Produce total well stream for 30 days following Mesa Verde pay add
Pay Add projected to add 230 MCFD to Mesa Verde flow stream

Total Stream = X

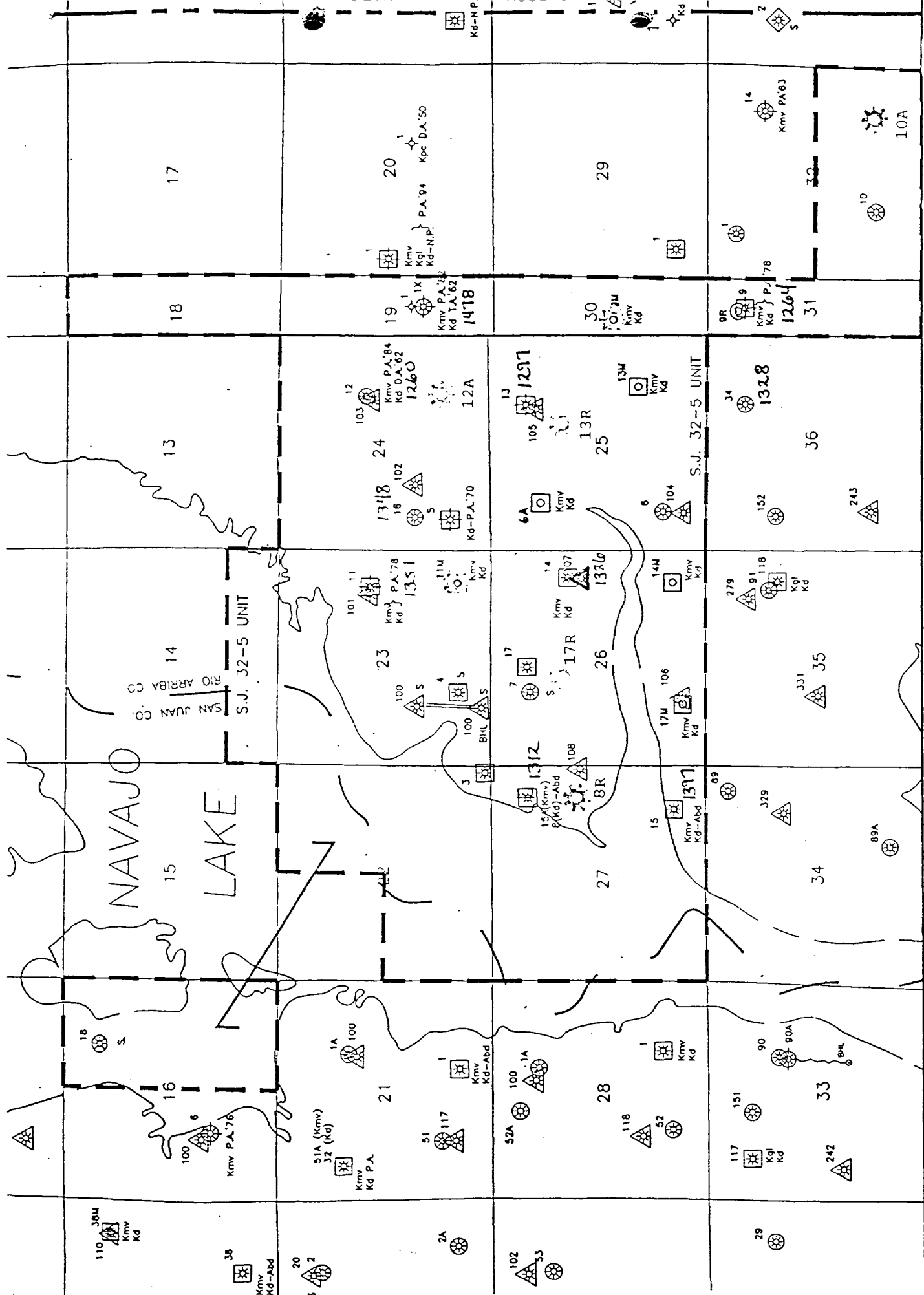
Dakota Stabilized rate = 54 MCFD

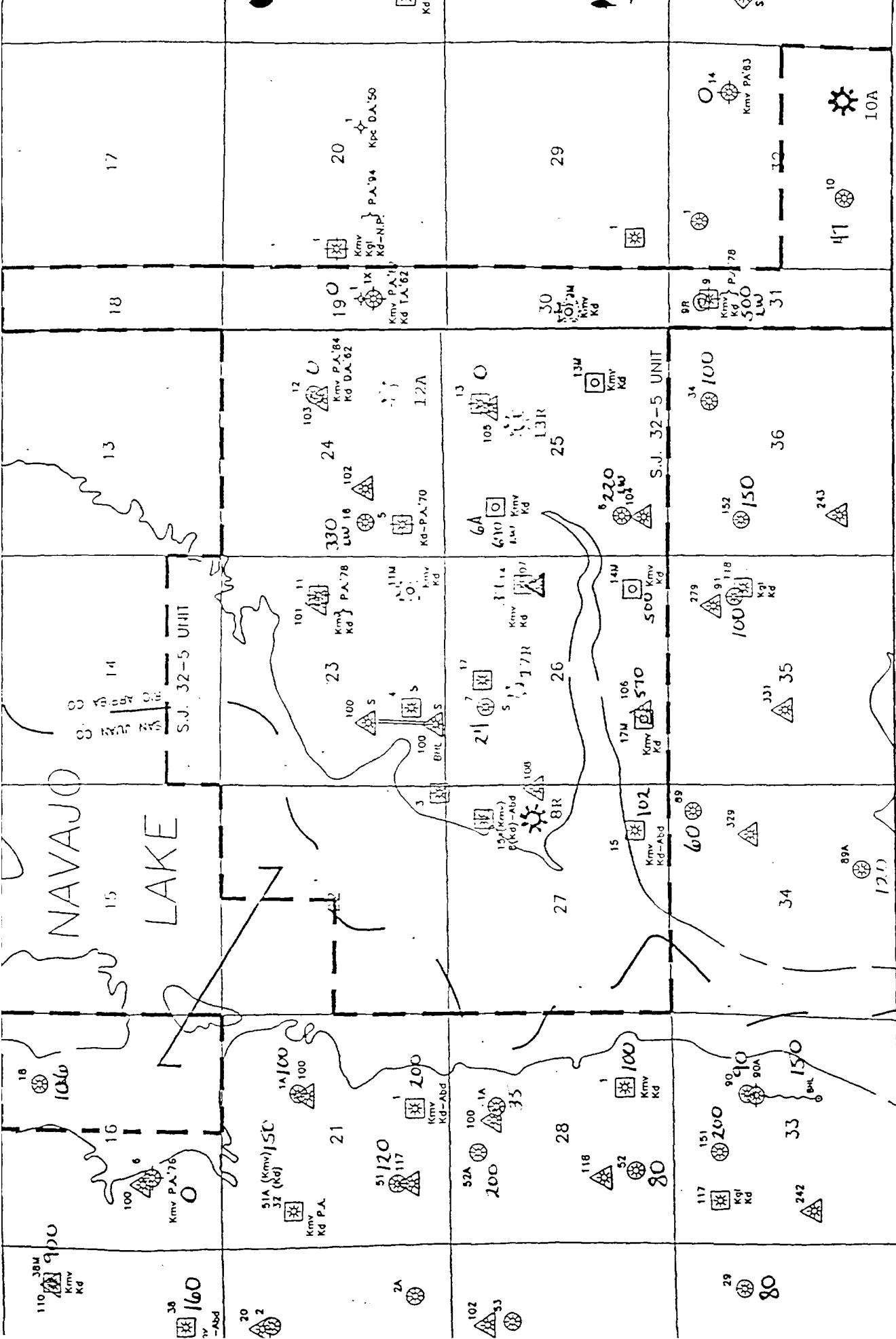
DK Allocation = $54/X$ as a percentage

MV Allocation = $(X - 54)/X$ as a percentage

Oil Allocation- Neither pool produces oil in this area

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





FISCAL 1999 DRILLING PROGRAM CUPPET MESAVERDE PRODUCTION PATES (MCD) REPORT CA

San Juan 32-5 Unit Working Interest Owners

Alan H Kolz Trustee
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Farmington, NM 87402

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