

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify \_\_\_\_\_

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name \_\_\_\_\_ Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_ e-mail Address \_\_\_\_\_



CDX GAS, LLC  
4801 N. Butler Avenue, Suite 2000  
Farmington, NM 87401  
Main: (505) 326-3003  
Fax: (505) 325-4007

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**FACSIMILE TRANSMITTAL SHEET**

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|                                 |   |
|---------------------------------|---|
| TO: <i>Wil Jones</i>            | FROM: <i>Rich Corcoran</i>                    |
| COMPANY: <i>NM OCD</i>          | DATE: <i>3-30-05</i>                          |
| FAX NUMBER: <i>505-476-3462</i> | TOTAL NO. OF PAGES INCLUDING COVER: <i>18</i> |
| PHONE NUMBER:                   | SENDER'S REFERENCE NUMBER:                    |
| RE:                             | YOUR REFERENCE NUMBER:                        |

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☐ URGENT   ☐ FOR REVIEW   ☐ PLEASE COMMENT   ☐ PLEASE REPLY   ☐ PLEASE RECYCLE

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**NOTES/COMMENTS:**

*MR. JONES - PER OUR CONVERSATION  
Yesterday (3-29-05) Attached is our  
request for ADMINISTRATIVE APPROVAL  
to commingle the mesa verde, Gallup & DAKOTA  
in the Jicarilla C#3 well.  
A hard copy is being sent by overnight  
delivery.  
Thank you*

*R.C.*

---



CDX Gas, LLC  
4801 N. Butler Avenue, Suite 2000  
Farmington, NM 87401  
Main: 505-326-3003  
Fax: 505-375-4007

March 30, 2005

Mr. William Jones  
New Mexico Oil Conservation Division  
Engineering Bureau  
1220 S. St. Francis Dr.  
Santa Fe, New Mexico 87505

Re: Application for Exception to Rule 303-A  
Downhole Commingling  
Jicarilla C #3  
API No.: 30-0397-08098  
Basin Dakota/ Tapicito Gallup/ Blanco Mesa Verde  
1650' FSL, 990 FEL, Unit I Sec. 23, T26N-R5W  
Rio Arriba County, New Mexico

Dear Mr. Jones:

The Jicarilla C #3 well was completed on June 11, 1966 in the Basin Dakota and Tapicito Gallup formations and presently produces approximately 113 MCFD. CDX RIO, LLC is making plans to recomplete the captioned well in the Mesaverde formation and hereby requests administrative approval to downhole commingle production from the Basin Dakota, Tapicito Gallup, and Blanco Mesa Verde pools.

To avoid waste CDX is proposing to use the existing well bore and thereby capture the additional reserves. Adding the Mesaverde production will have no detrimental effects and the fluids have no abnormal components that would prohibit commingling or promote the creation of emulsions or scale.

As an analogy Burlington Resources operates the Jicarilla 153 #9E (API No.: 30-039-22417) located 1120' FNL and 950' FWL of Section 26, T26N-R5W being less than one mile from our proposed location. This well was completed as a Mesa Verde/Dakota producer on January 16, 1991, with the Gallup being added November 25, 1986. This well has been producing from a downhole commingled configuration since December of 1986 with no apparent production problems or loss of value.

CDX RIO, LLC is the operator and owns 100% working interest in all zones of interest in the subject well and spacing units, with identical ownership in all formations to be commingled. When the Dakota, Gallup, and Mesa Verde formations are completed they will be isolated and separately tested thru tubing. The subtraction method will be used to determine the new allocation for the commingled production.

After the recompletion we are estimating production from the Dakota to be 93 mcf/d and .8 bopd, from the Gallup 32 mcf/d and .2 bopd and from the Mesa Verde 150 mcf/d and .5 bopd. Allocations after the recompletion are estimated at:

|            |     |        |     |       |
|------------|-----|--------|-----|-------|
| Dakota     | Oil | 53.3%  | Gas | 33.82 |
| Gallup     | Oil | 13.33% | Gas | 11.64 |
| Mesa Verde | Oil | 33.33% | Gas | 54.54 |

Actual allocation amounts will be provided after testing the respective zones.

Attached to aid in your review are plats showing the location of the captioned well and offset analogy well in the same formation, a recent production plot for the commingled zones in the analogy well (Jicarilla 153 #9E), historical plots for the Gallup and Dakota production, and C-102 forms showing the location and spacing units.

Since the spacing unit for our proposed well consist of the S/2 of Section 26, T26N-R5W, and is located on Jicarilla lease #108, a copy of this application package will be sent to both the Bureau of Land Management and the Jicarilla Tribe.

Thank you and should you have any questions concerning this application please call me at (505) 326-3003 ext. 2817 or e-mail me at [rich.corcoran@cdxgas.com](mailto:rich.corcoran@cdxgas.com).

Sincerely,



Richard Corcoran  
Land Manager

RC/kaa

cc: Steve Wells, Bureau of Land Management  
Fred Vigil, Jicarilla Oil and Gas Administration

District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
1301 W. Grand Avenue, Artesia, NM 88210

District III  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

Oil Conservation Division

1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

CDX RIO, LLC 4801 North Butler Ave., Suite 2000, Farmington, NM 87401  
Operator Address

JICARILLA CONTRACT C #3 I - 23 - T26N - R5W RIO ARRIBA  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No 222374 Property Code API No. 30-039-08098 Lease Type: ☒ Federal ☐ State ☐ Fee

| DATA ELEMENT  | UPPER ZONE   | INTERMEDIATE ZONE                                      | LOWER ZONE   |
|---|--|--|--|
| Pool Name   | BLANCO MESAVERDE   | TAPACITO GALLUP  | BASIN DAKOTA   |
| Pool Code   | 72319  | 58090  | 71599  |
| Top and Bottom of Pay Section<br>(Perforated or Open-Hole Interval)   | 4,764 - 5,406<br>(To be confirmed after logs)                        | 6,750 - 6,776  | 7,288 - 7,504  |
| Method of Production<br>(Flowing or Artificial Lift)  | Plunger Lift   | Plunger Lift   | Plunger Lift   |
| Bottomhole Pressure<br>(Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)    | 545 psi (estimated)  | 440 psi  | 440 psi  |
| Oil Gravity or Gas BTU<br>(Degree API or Gas BTU)   | 1200 BTU   | 1300 BTU   | 1210 BTU   |
| Producing, Shut-In or New Zone  | NEW ZONE   | PRODUCING  | PRODUCING  |
| Date and Oil/Gas/Water Rates of Last Production.<br>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.) | Date: 150 mcf/d (estimated)<br>Rates: 0.5 bopd (est)<br>3 bwpd (est) | Date: 3/25/05<br>32 mcf/d<br>Rates: 0.2 bopd<br>0 bwpd | Date: 3/25/05<br>93 mcf/d<br>Rates: 0.8 bopd<br>1 bwpd |
| Fixed Allocation Percentage<br>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)                  | Oil 34%<br>Gas 54%   | Oil 14%<br>Gas 12%                                     | Oil 52%<br>Gas 34%                                     |

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐

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

Will commingling decrease the value of production? Yes ☐ No ☒

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

NMOCD Reference Case No. applicable to this well:

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 working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE TITLE Production Engineer DATE 8/19/04

TYPE OR PRINT NAME David C. Smith TELEPHONE NO. (505) 326-3003

E-MAIL ADDRESS dave.smith@cdxgas.com

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|   |  |  |
|---|--|--|
| <sup>1</sup> API Number<br>30-039-08098 | <sup>2</sup> Pool Code<br>72319            | <sup>3</sup> Pool Name<br>BLANCO MESAVERDE |
| <sup>4</sup> Property Code              | <sup>5</sup> Property Name<br>JICARILLA C  | <sup>6</sup> Well Number<br>3              |
| <sup>7</sup> OGRID No.<br>222374        | <sup>8</sup> Operator Name<br>CDX RIO, LLC | <sup>9</sup> Elevation<br>6574' GR         |

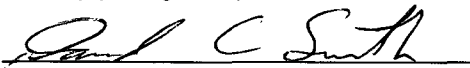
<sup>10</sup> Surface Location

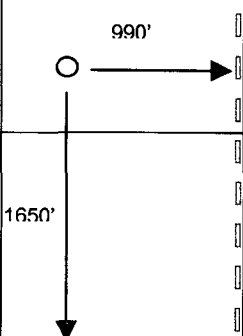
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County     |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| I             | 23      | 26N      | R5W   |         | 1650          | NORTH            | 990           | EAST           | RIO ARRIBA |

<sup>11</sup> 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 |
|-------------------------------|-------------------------------|----------------------------------|-------------------------|---------|---------------|------------------|---------------|----------------|--------|
|                               |                               |                                  |                         |         |               |                  |               |                |        |
| <sup>12</sup> Dedicated Acres | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> 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

|                       |  |  |  |  |
|-----------------------|--|--|--|--|
| <div>Section 23</div> |  |  |  | <sup>17</sup> <b>OPERATOR CERTIFICATION</b><br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i><br><br>Signature<br>Printed Name<br>David C. Smith<br>Title and E-mail Address<br>Production Engineer, dave.smith@cdxgas.com<br>Date<br>3/29/05 |
|                       |  |  |  | <sup>18</sup> <b>SURVEYOR CERTIFICATION</b><br><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><br>3/29/05<br>Date of Survey<br>Signature and Seal of Professional Surveyor:<br><br>ON FILE<br>Certificate Number<br>2463                  |



MAY 12 '95 09:47 OCD AZTEC NM

# NEW MEXICO OIL CONSERVATION COMMISSION

## WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

|   |   |   |   |                                  |                  |
|---|---|---|---|----------------------------------|------------------|
| Operator<br><b>TENNECO OIL COMPANY</b>  |   | Lease<br><b>JTCARTILLA</b>                            |   | Well No.<br><b>C-3</b>           |                  |
| Unit Letter<br><b>I</b>   | Section<br><b>23</b>                                    | Township<br><b>26N</b>                                | Range<br><b>5W</b>                                | County<br><b>Rio Arriba</b>      |                  |
| Actual Footage Location of Well:<br><b>1650</b> feet from the <b>south</b> line and <b>990</b> feet from the <b>east</b> line |   |   |   |                                  |                  |
| Ground Level Elev.<br><b>6574' ungraded</b>   | Producing Formation<br><b>Gallup &amp; Basin Dakota</b> | Undesig.<br><b>Undesig. Gallup &amp; Basin Dakota</b> | Pool<br><b>Undesig. Gallup &amp; Basin Dakota</b> | Dedicated Acreage:<br><b>320</b> | <b>S/2</b> Acres |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

( ) Yes ( ) No If answer is "yes," type of consolidation

If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.

### CERTIFICATION

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

*Harold C. Nichols*

Name

Harold C. Nichols

Position

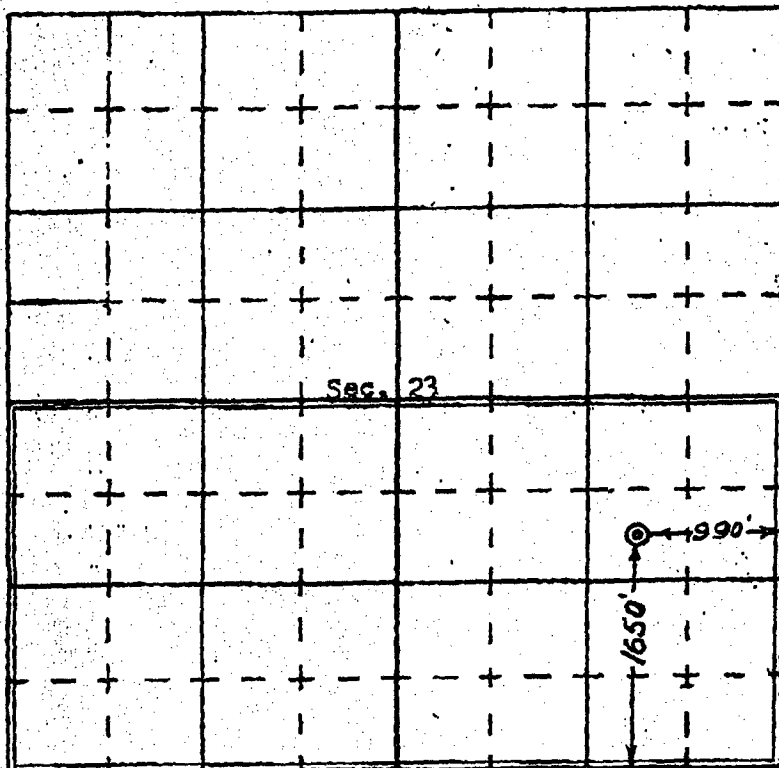
Senior Production Clerk

Company

Tenneco Oil Company

Date

June 7, 1966



RECEIVED  
JUN 10 1966  
CON. COM.  
ST. 3

I hereby certify that the well location shown on this plat was plotted from field notes of oil surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.



Date Surveyed

Registered Professional Engineer  
and/or Land Surveyor

Robert H. Ernst

N. Mex. P.E. &amp; L.S. 2463

Certificate No.



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
(505) 827-7131

**ADMINISTRATIVE ORDER DHC-1136**

Amoco Production Company  
P.O. Box 800  
Denver, Colorado 80201-0800

Attention: Ms. Pamela W. Staley

RECEIVED  
JUN 21 1986

OIL CON. DIV.  
DIST. 3

*Jicarilla Contract "C" Well No.3  
Unit I, Section 23, Township 26 North, Range 5 West,  
NMPM, Rio Arriba County, New Mexico.  
Basin Dakota (Prorated Gas) Pools and Tapacito Gallup (Associated) Pools*

Dear Ms. Staley:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 40 barrels per day, and total water production shall not exceed 80 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

|                              |         |         |
|------------------------------|---------|---------|
| Basin Dakota (Prorated Gas)  | Oil 80% | Gas 74% |
| Tapacito Gallup (Associated) | Oil 20% | Gas 26% |

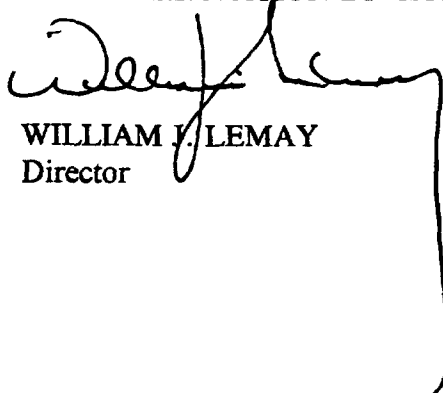
**FURTHER:** The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.



Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 19th day of June, 1995.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

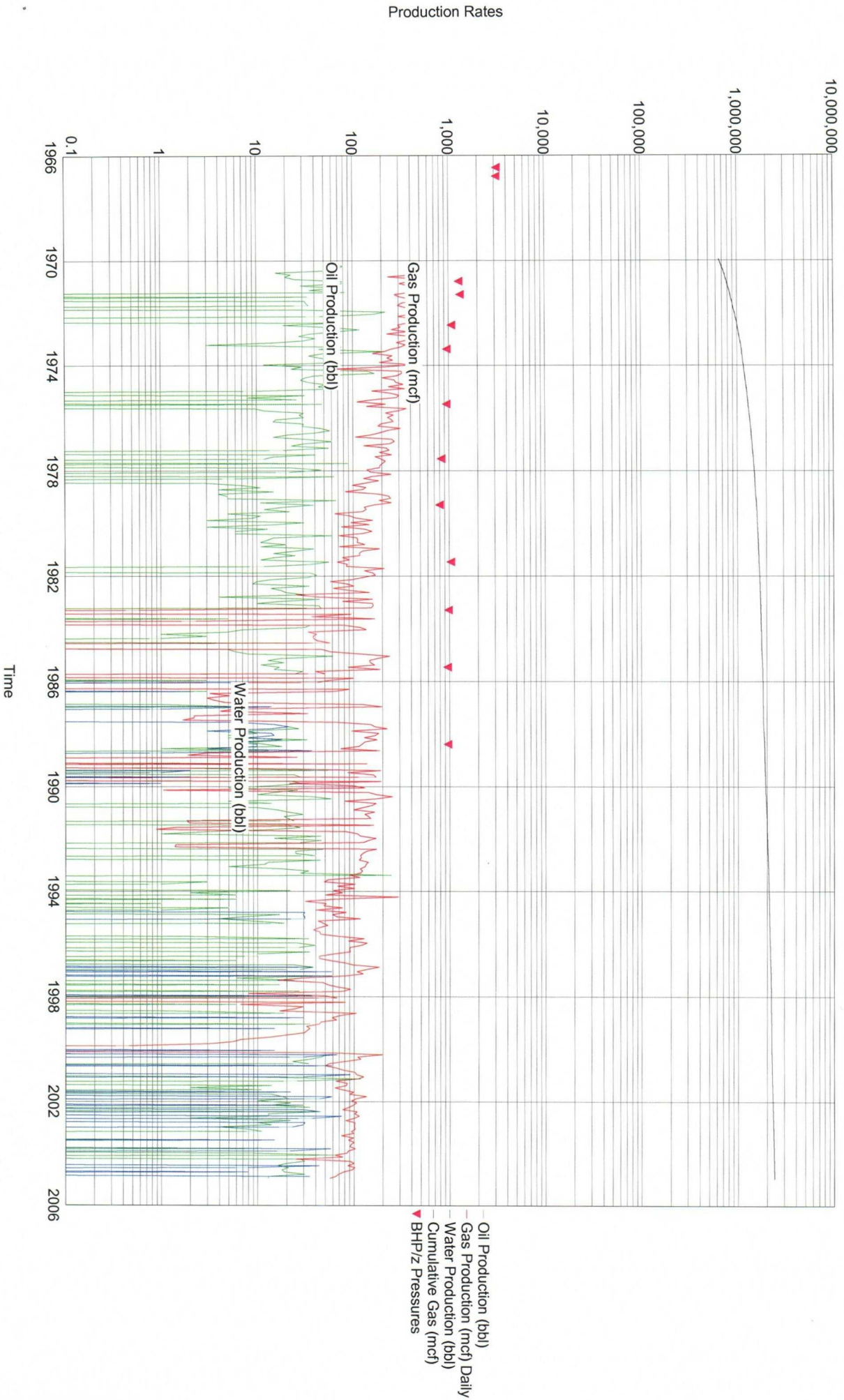
S E A L

WJL/BES

cc: Oil Conservation Division - Aztec ✓  
Bureau of Land Management - Farmington

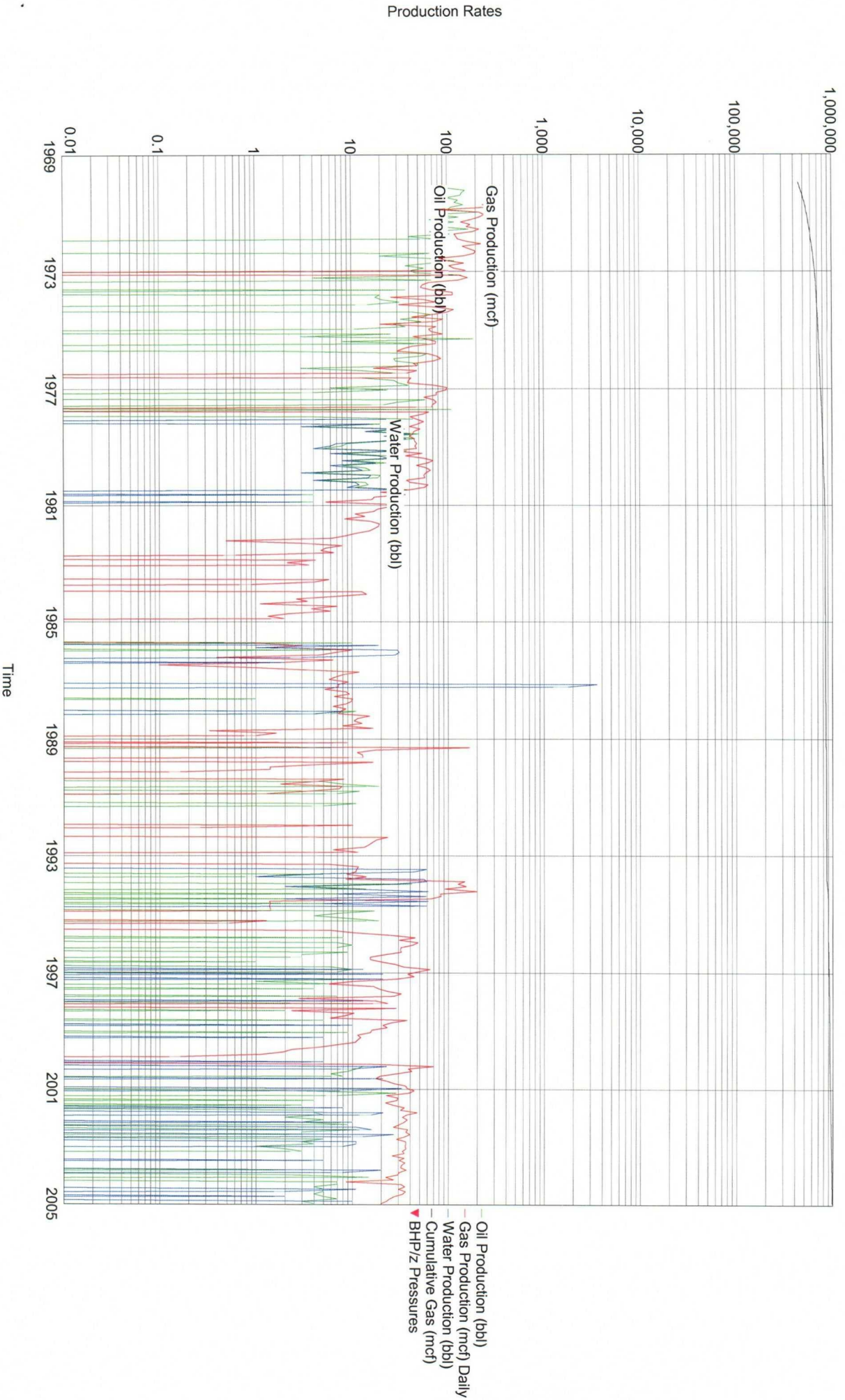
Lease Name: JICARILLA C  
County, State: RIO ARBA, NM  
Operator: CDX RIO LIMITED LIABILITY CORPORATIO  
Field: BASIN  
Reservoir: DAKOTA  
Location: 23 26N 5W NE SE

JICARILLA C - 3 ( DAKOTA)



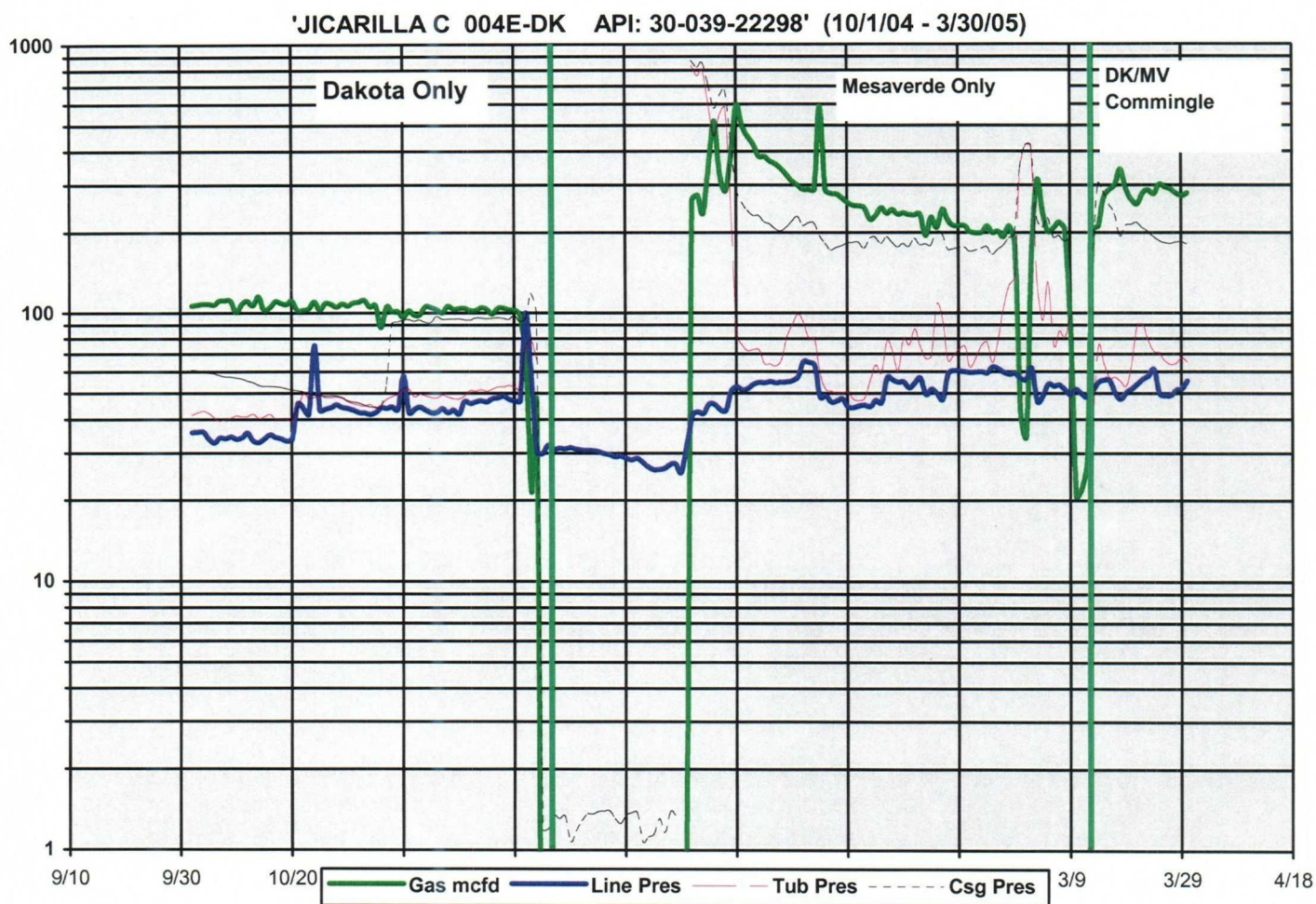
Lease Name: JICARILLA C  
County, State: RIO ARBA, NM  
Operator: CDX RIO LIMITED LIABILITY CORPORATIO  
Field: TAPACITO  
Reservoir: GALLUP  
Location: 23 26N 5W NE SE

JICARILLA C - 3 ( GALLUP )





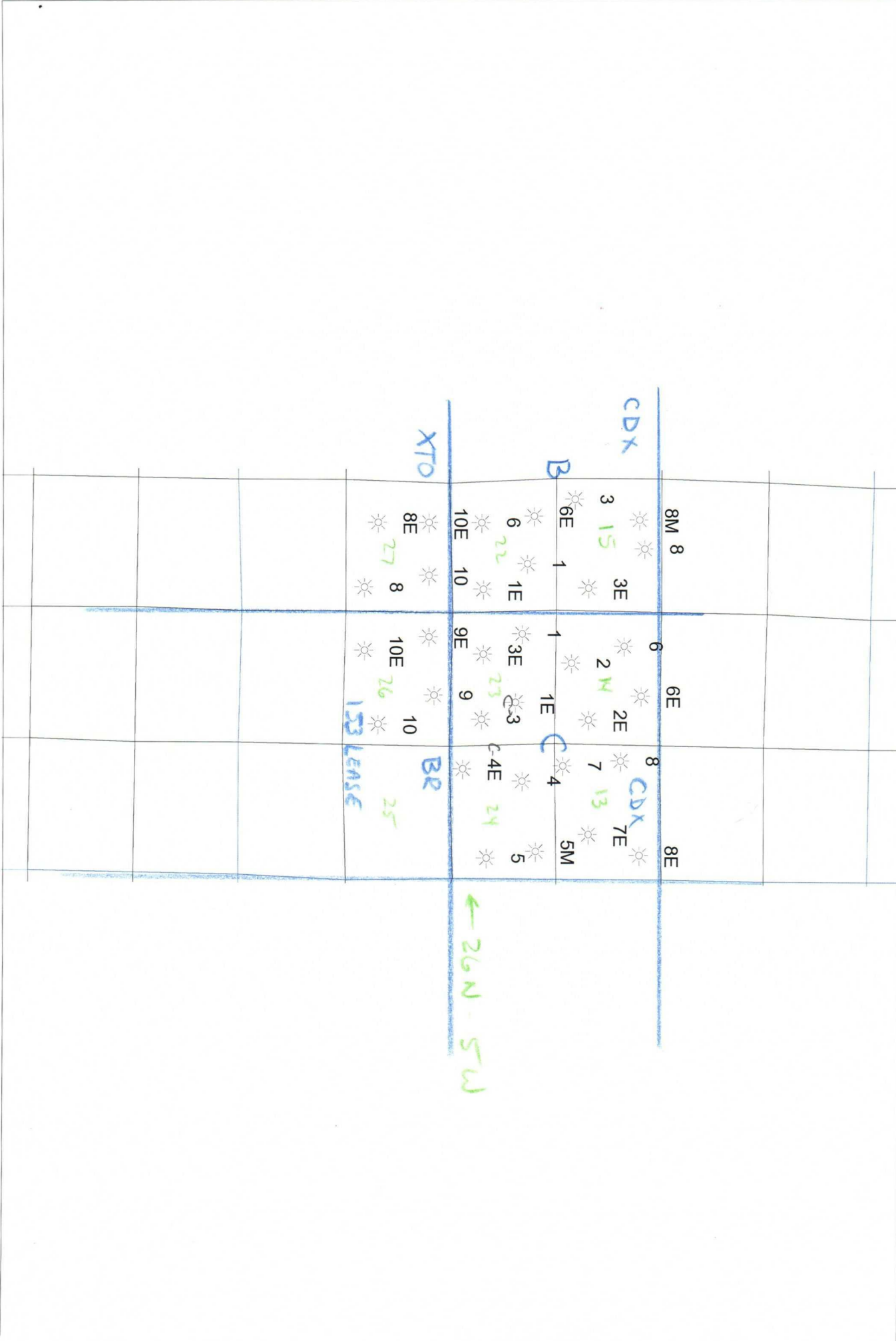




Jicarilla C-4E Section 24 T26N, R5W.  
CDX Gas, LLC. most recent Mesaverde pay-add.

# PI/Dwights PLUS on CD Map Report

DAKOTA



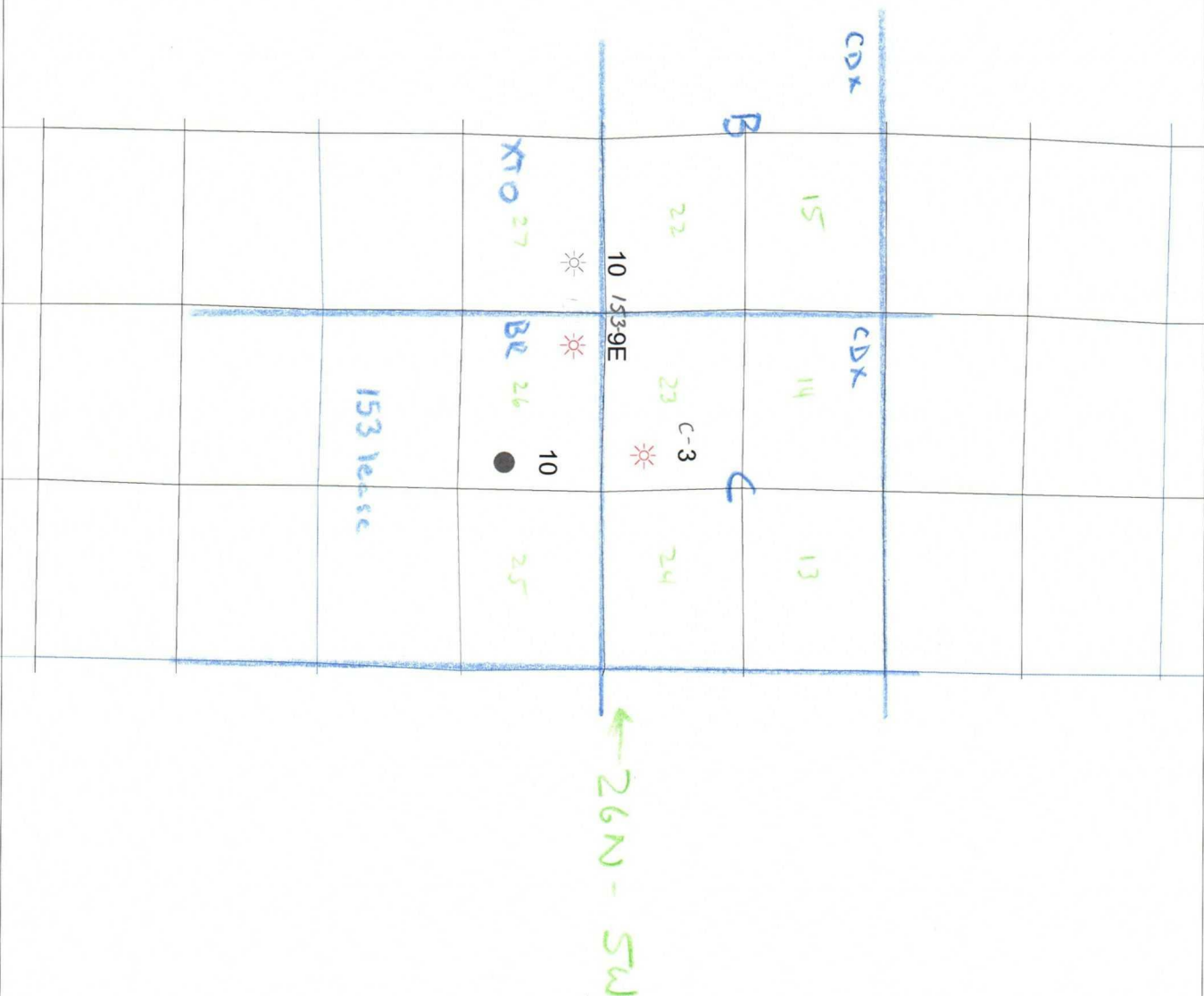
# PI/Dwights PLUS on CD Map Report

MESAVERDE



# PI/Dwights PLUS on CD Map Report

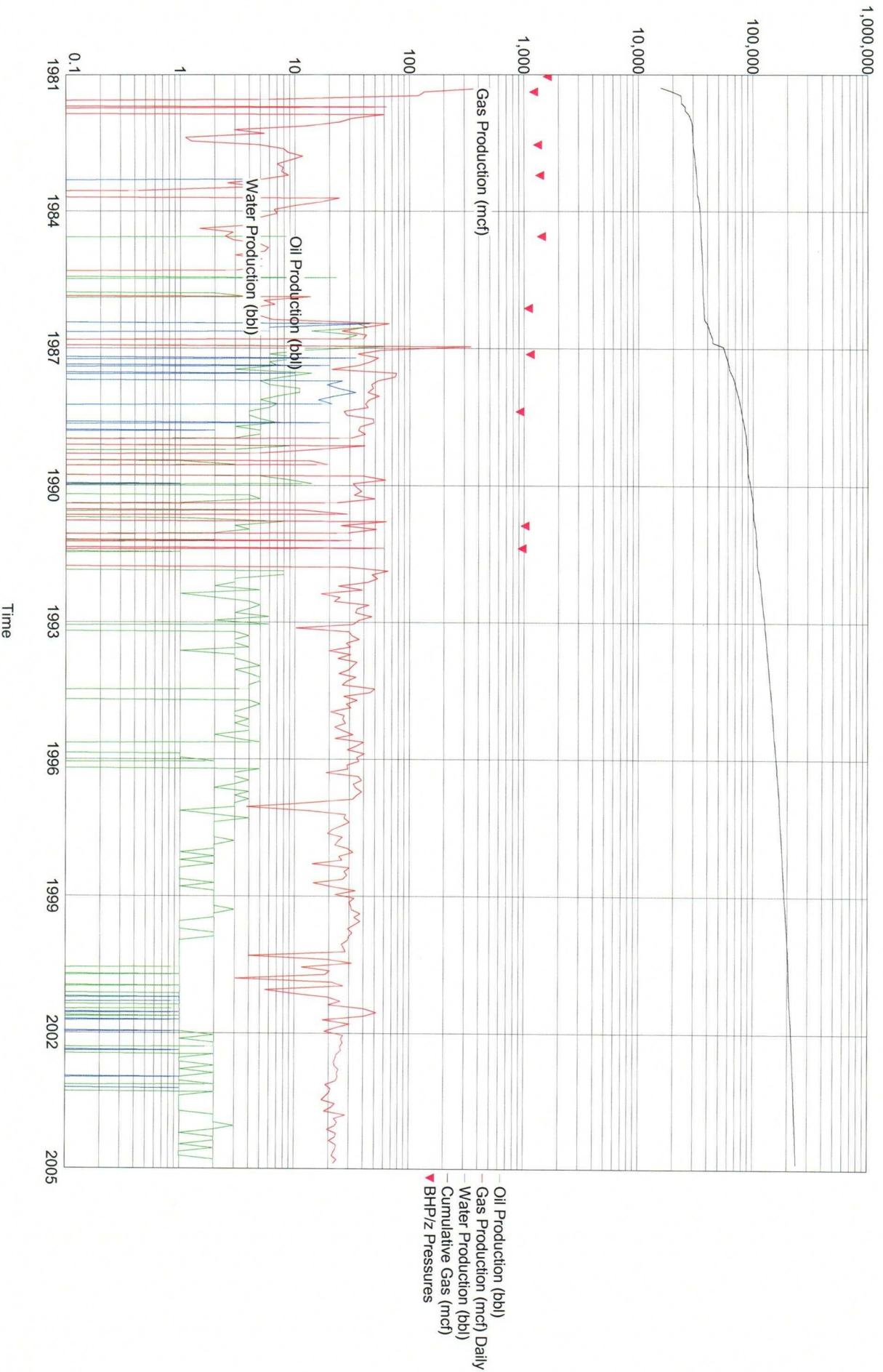
Gallup





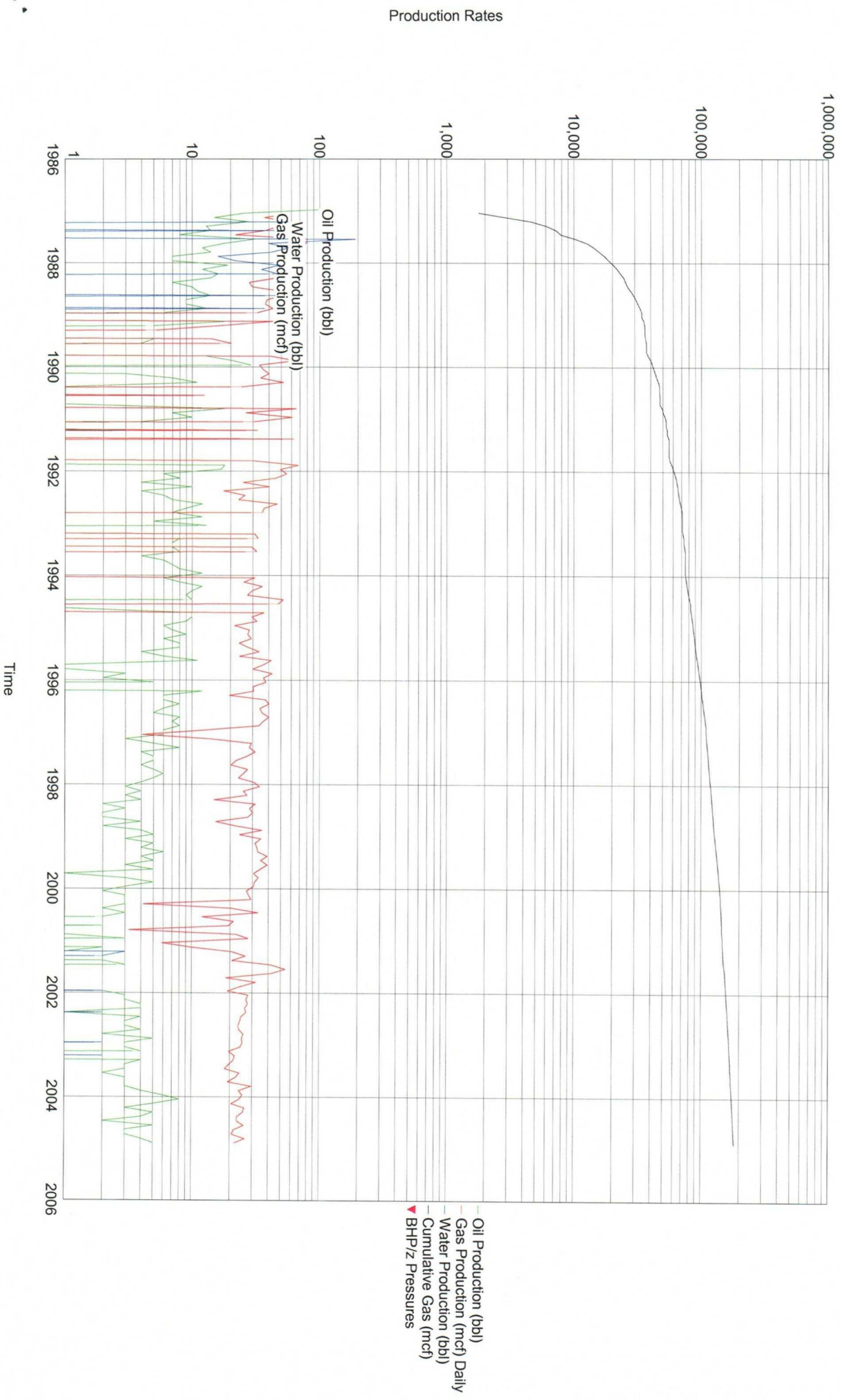
Lease Name: JICARILLA 153  
County, State: RIO ARBA, NM  
Operator: BURLINGTON RESOURCES O&G CO LP  
Field: BLANCO  
Reservoir: MESAVERDE  
Location: 26 26N 5W SE NW NW

JICARILLA 153 - 9E ( MESAVERDE)



Lease Name: JICARILLA 153  
County, State: RIO ARBA, NM  
Operator: BURLINGTON RESOURCES O&G CO LP  
Field: TAPACITO  
Reservoir: GALLUP  
Location: 26 26N 5W SE NW NW

JICARILLA 153 - 9E ( GALLUP )



Lease Name: JICARILLA 153  
County, State: RIO ARBA, NM  
Operator: BURLINGTON RESOURCES O&G CO LP  
Field: BASIN  
Reservoir: DAKOTA  
Location: 26 26N 5W SE NW NW

JICARILLA 153 - 9E ( DAKOTA)

