

5/25/99	6/16/99	DC	KV	DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -

2360

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]  
[DD-Directional Drilling] [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 - Directional Drilling  
☐ NSL ☐ NSP ☐ DD ☐ 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

[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRJ) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

GARY BRINK

Signature

Title

Prod. Supt.

Date

5/29/99



May 21, 1999

Ms. Lori Wrotenbery  
NMOCD  
2040 South Pacheco  
Santa Fe, New Mexico 87505

RE: Administrative Approval to Downhole Commingle  
Energen Resources Corporation  
Jicarilla 117E #3A  
1700' FNL, 800' FWL, Sec. 34, T26N, R3W, N.M.P.M.  
Rio Arriba County, New Mexico  
API # 30-039-25964

Dear Ms. Wrotenbery:

Energen Resources Corporation requests Administrative Approval to add the Blanco Mesaverde and downhole commingle it with the NE Ojito Gallup-Dakota Pool in the subject well.

This well was drilled at the request of the Bureau of Land Management to protect drainage from offset leases in the Gallup-Dakota Pool. Open Hole Log results showed marginal development in the Gallup-Dakota and production results confirmed the log analysis. The Mesaverde Zone appears productive on the log and has similar characteristics to our recently drilled direct offset well; the Jicarilla 117E #7A. It is felt that completing the Mesaverde in this wellbore would improve the economic life of the well by utilizing the Mesaverde flowstream to lift the Gallup-Dakota fluids and prevent premature abandonment of the Gallup-Dakota pool.

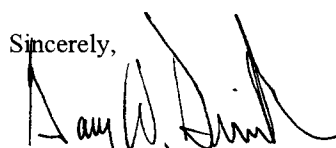
To comply with New Mexico Oil Conservation Rules, Energen Resources Corporation, is submitting the following data for your approval of the proposed commingling:

1. For C107A – Application for Downhole Commingle
2. C102 – Location plat showing each spacing unit and dedicated acreage
3. Production type curves for both the Mesaverde and Gallup-Dakota
4. Offset operator plat
5. Well location plat
6. Proposed allocation method

In accordance with New Mexico Oil Conservation Division Rule 303C, all offset operators are being notified of this application by certified mail. As an offset operator, if you have no objection to this application, you do not have to respond to this notification.

If additional information is needed, please contact me.

Sincerely,



Gary W. Brink  
Production Superintendent

GWB/mt

cc: NMOCD – Aztec, BLM – Albuquerque, Offset Operators  
Jic117E 3A 5-99.doc

## DISTRICT I

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

## DISTRICT II

811 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

## OIL CONSERVATION DIVISION

2040 S. Pacheco  
Santa Fe, New Mexico 875054-6429Form C-107-A  
New 3-12-96

## APPROVAL PROCESS:

☒ Administrative ☐ Hearing

## EXISTING WELLBORE

☒ YES ☐ NO

## APPLICATION FOR DOWNHOLE COMMINGLING

ENERGEN RESOURCES CORPORATION

2198 Bloomfield Highway, Farmington, NM 87401

Operator

Address

Jicarilla 117E

3A

0

34

26N

3W

Rio Arriba

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

OGRID NO. 162928

Property Code 21928

API NO. 30-039-25964

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 MV 72319		NE Ojito GL-DK 48025
2. Top and Bottom of Pay Section (Perforations)	6210 - 6336'		7345 - 8109'
3. Type of production (Oil or Gas)	Gas		Oil
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure	a. (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	Not Completed		770 Calc.
Gas & Oil - Flowing: Measured Current	b. (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1008 Est. * Jicarilla 117E #7A		1146 Calc.
6. Oil Gravity ( <sup>o</sup> API) or Gas BTU Content)	1230 BTU Est.		47 Degrees API
7. Producing or Shut-In?	Not Completed		Producing
Production Marginal? (yes or no)	No		
* If Shut-In, give date and oil/gas/water rates of last production	Date: Rates:	Date: Rates:	Date: Rates:
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data			
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates: Not Completed	Date: Rates:	Date: 4/1/99 Rates: 2/11/0
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 ☐ No11. 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 ☐ No13. 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

TITLE Prod. Superintendent

DATE 5/24/99

TYPE OR PRINT NAME Gary W. Brink

TELEPHONE NO. ( 505 ) 325-6800

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Aramis, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 21, 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

API Number 30-039-25964	Pool Code 72319/48025	Pool Name Blanco MV/NE Ojito Gallup-Dakota
Property Code 21943	Property Name JICARILLA 117E	Well Number 3A
OGRID No. 162928	Operator Name TAURUS EXPLORATION U.S.A., Inc.	Elevation 7475

<sup>10</sup> Surface Location

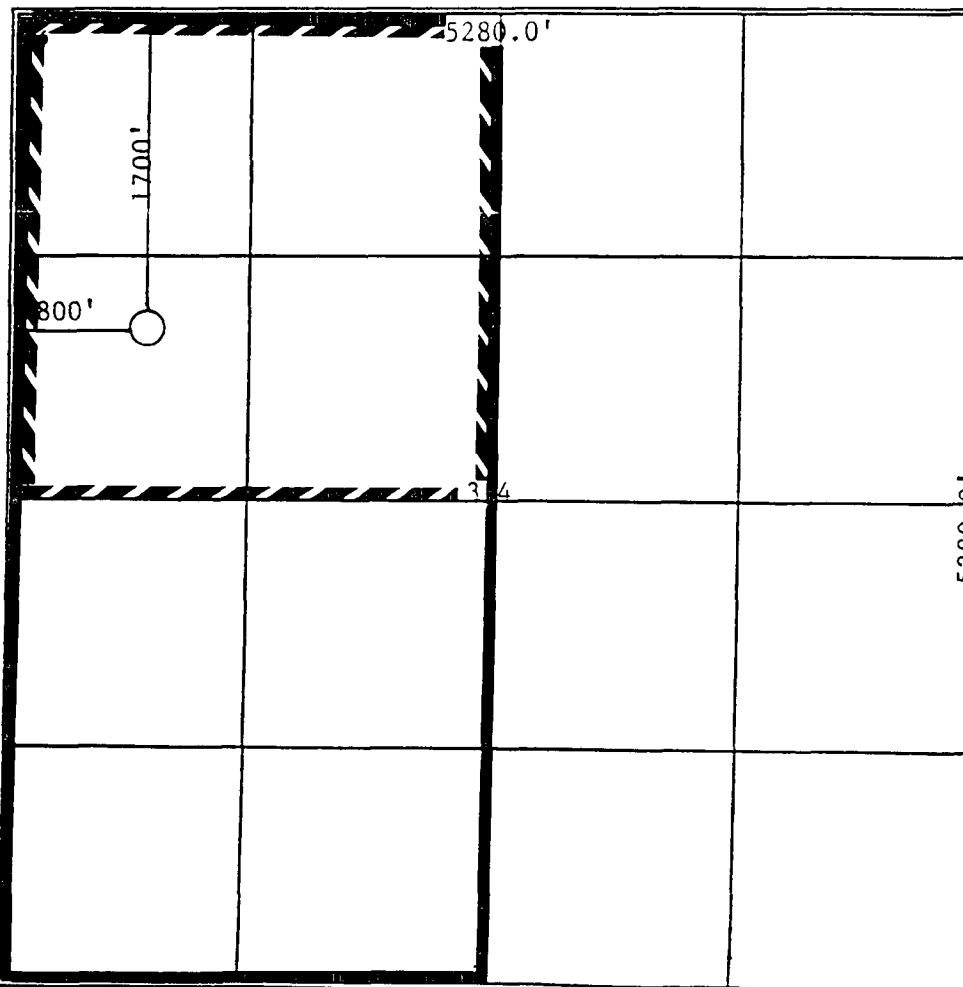
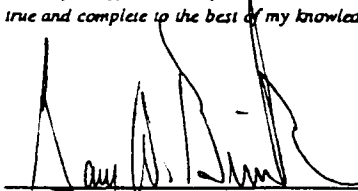
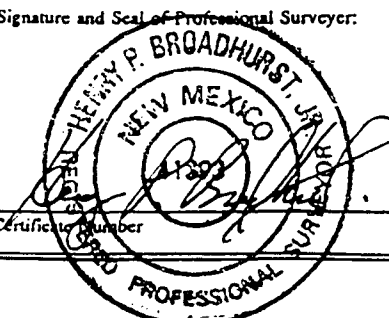
UL or lot no. E	Section 34	Township 26N	Range 3W	Lot Idn	Feet from the 1700	North/South line NORTH	Feet from the 800	East/West line WEST	County RIO ARriba
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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<sup>12</sup> Dedicated Acres 320/160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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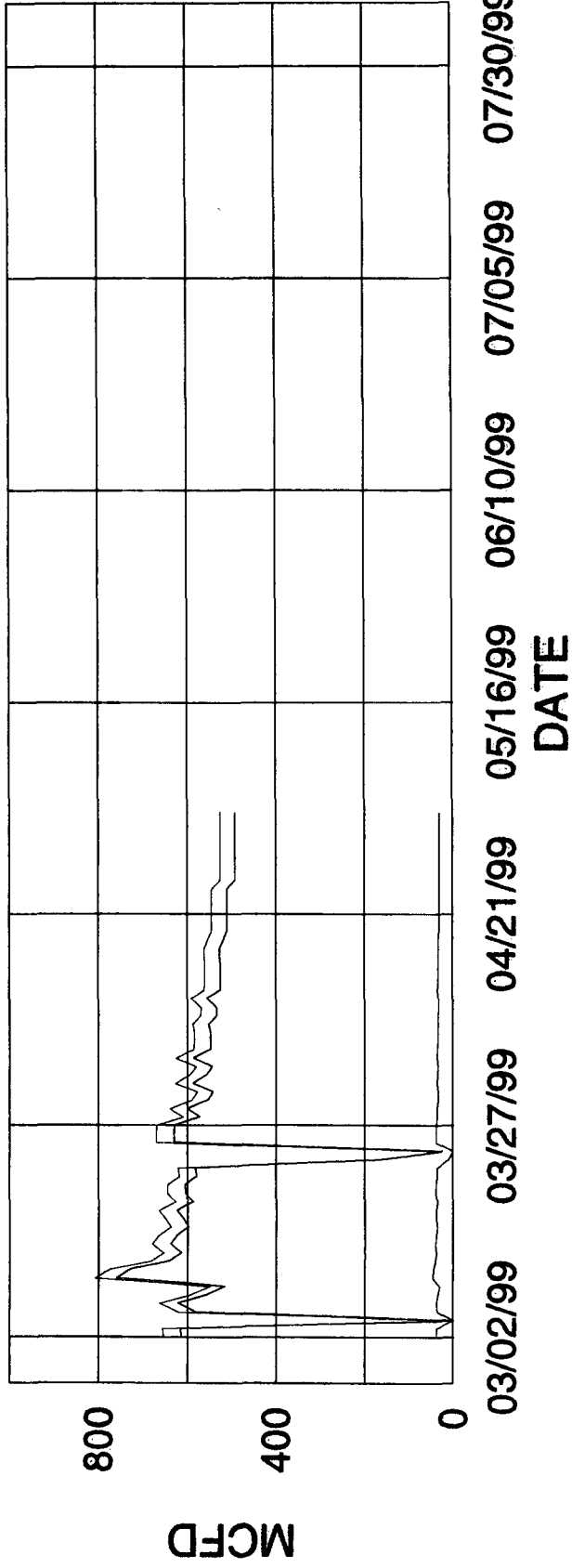
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature Gary W. Brink Printed Name Production Superintendent Title 7/13/98 Date
	<sup>18</sup> 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. 6-10-98 Date of Survey Signature and Seal of Professional Surveyer:  Certificate Number

5280.0'

# JICARILLA 117 E 7A

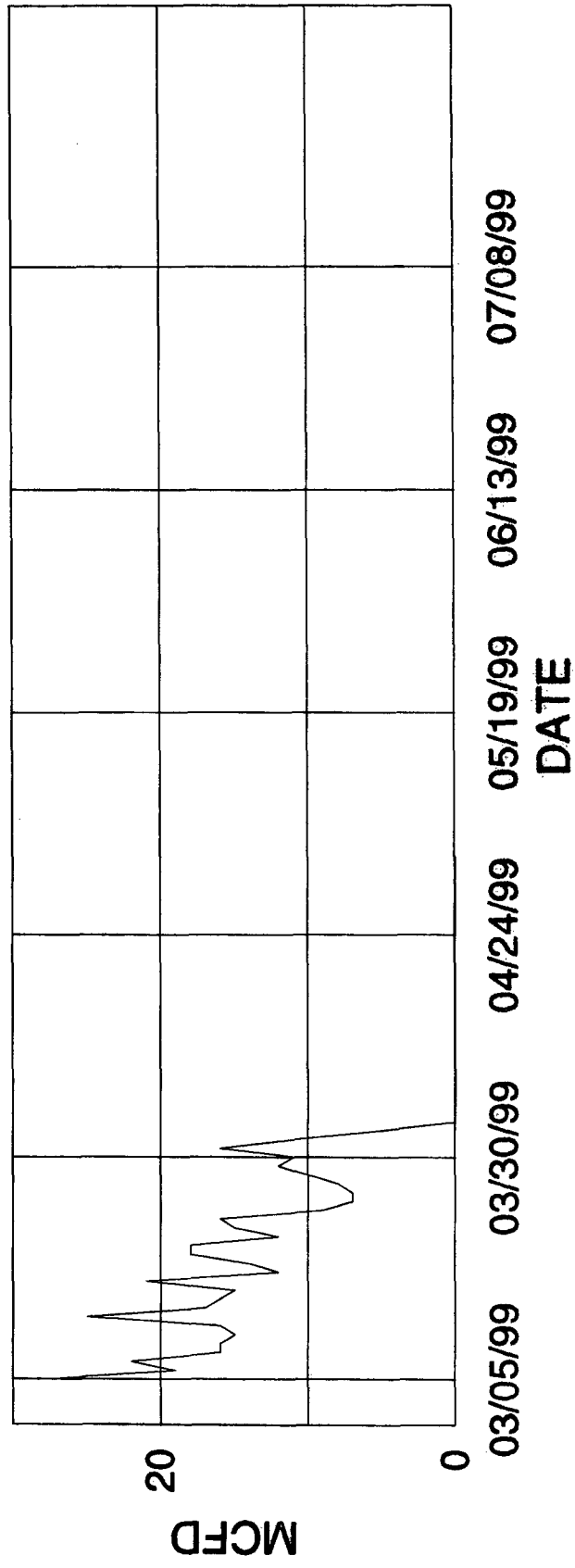
## DAILY GAS PRODUCTION PLOT



— MESASVERDE — PC — TOTAL

# JICARILLA 117 E 3A

## DAILY GAS PRODUCTION PLOT



— GALLUP

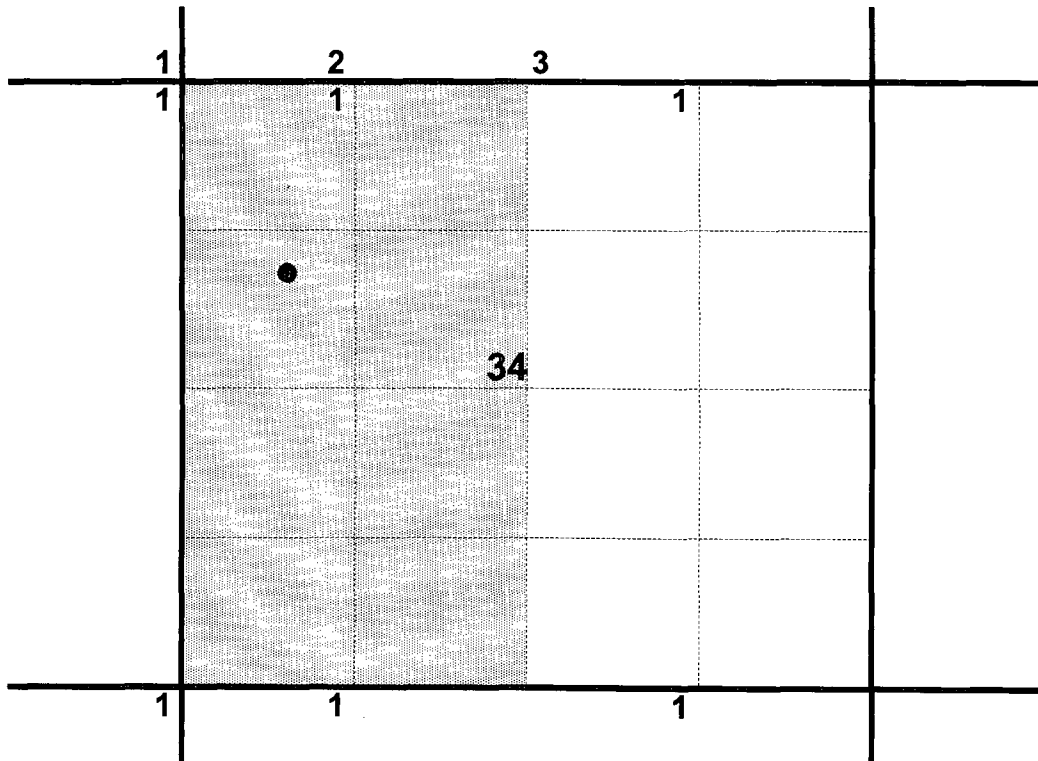
# **Energen Resources Corp.**

**Jicarilla 117E #3A**

**Offset Operator / Ownership Plat**

Blanco Mesa Verde/ NE Ojito Gallup Dakota  
Downhole Commingling

Township 26 N, Range 3 W

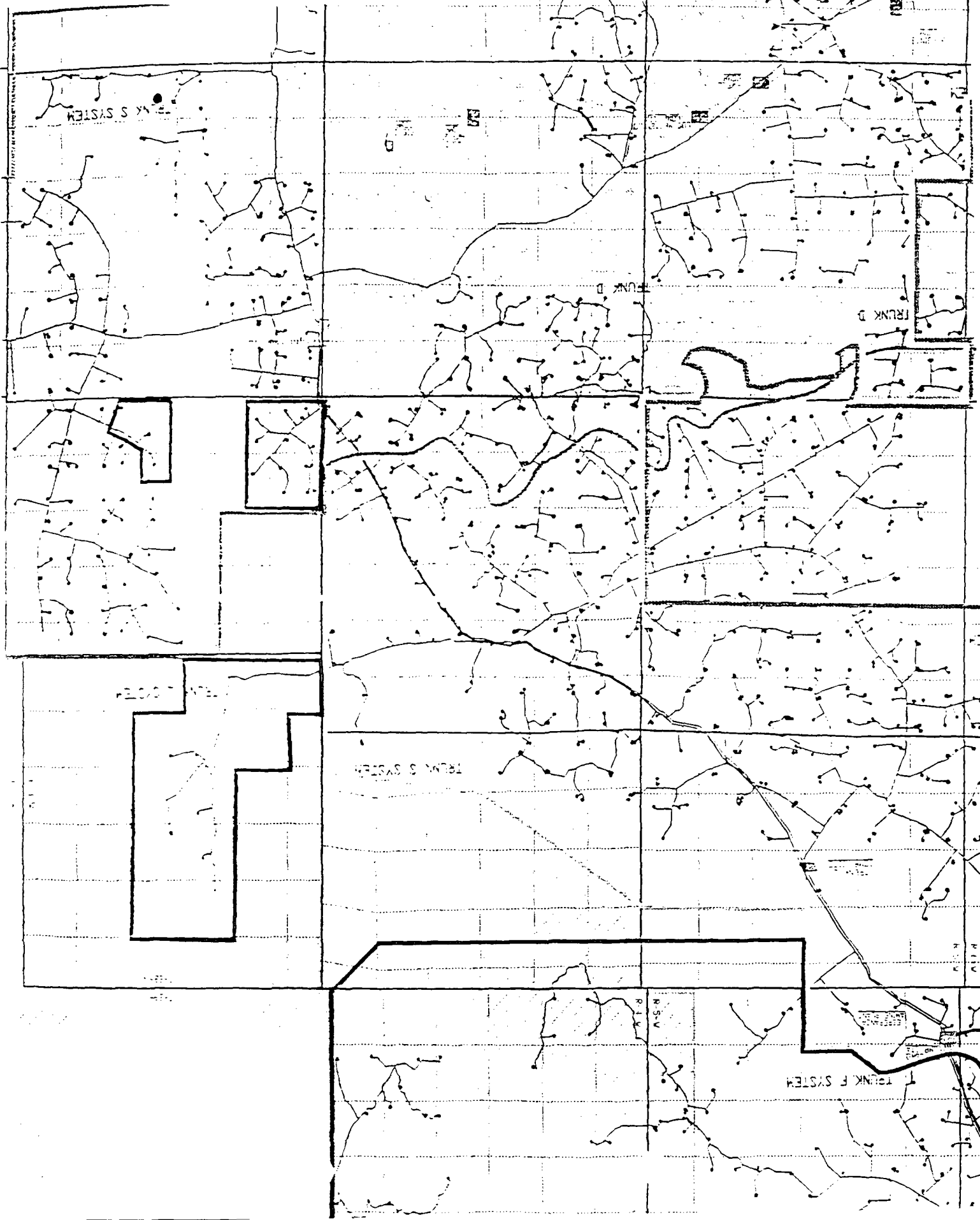


- 1) Energen Resources
- 2) Central Resources  
1775 Sherman St  
2600 Mellon Ctr.  
Denver, Colo. 80203
- 3) Dugan Production Corp.  
P.O. Box 420  
Farmington, N.M. 87401

TAURUS EXPLORATION U.S.A., INC.

Jicarilla 117 E #3A  
Pipeline & Well Map

APD Map #1A





## **Jicarilla 117E #3A**

### **Proposed Allocation Method**

Produce total well stream for 30 days following Mesa Verde pay add

Pay Add projected to add 400 MCFD to Mesa Verde flow stream

Total Stream = X

Gallup/Dakota Stabilized rate = 11 MCFD

GL/DK Allocation =  $11 / X$  as a percentage

MV Allocation =  $(X - 11) / X$  as a percentage

MV Oil Allocation = Total Stream - 2 BOPD to Gallup/Dakota as a percentage of the total Production

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



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

DHC-2360

OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE  
1000 RIO BRAZOS ROAD  
AZTEC NM 87410  
(505) 334-6178 FAX: (505) 334-6170  
[http://emnrd.state.nm.us/ocd/District III/3distric.htm](http://emnrd.state.nm.us/ocd/District%20III/3distric.htm)

GARY E. JOHNSON  
Governor

Jennifer A. Salisbury  
Cabinet Secretary

February 3, 2000

Mr. Gary Brink  
Energen Resources  
2198 Blmfld Hwy  
Farmington NM 87401

Re: Jicarilla-117E #3A, API# 30-039-25964, O-34-26N-03W, DHC

Dear Mr. Brink:

Your recommended allocation of commingled production for the referenced well is hereby accepted as follows:

	Gas	Oil
Mesaverde	91%	44%
Gallup-Dakota	9%	56%

Sincerely,

Frank T. Chavez  
District Supervisor

FTC/mk

cc: Jim Lovato, Farmington BLM  
Mark Ashley, NMOCD Santa Fe  
Well File