

DATE IN 3/10/03	SUSPENSE 3/30/03	ENGINEER WVI	LOGGED KV/NSL	PKRV0307028477
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

Jicarilla 115E #2R Well

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
 [X] NSL [] NSP [] DD [] SD

Check One Only for [B] and [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] [X] 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

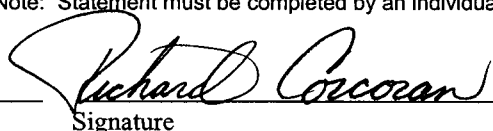
[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

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, ORRI) is common. 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.

Richard P. Corcoran

Print or Type Name



Signature

District Landman

Title

3-6-03

Date



March 6, 2003

New Mexico Oil Conservation Division
Attn: Michael E. Stogner
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION
JICARILLA 115E-2R
660' FNL & 2,500' FWL
SECTION 10-T26N-R3W
RIO ARriba COUNTY, NEW MEXICO

Dear Mr. Stogner:

Energen Resources Corporation (Energen) hereby requests Administrative Approval for an Unorthodox Location of its proposed Jicarilla 96 115E-2R Mesaverde well under the provisions of New Mexico Oil Conservation Division (NMOCD) Order R-10987 as amended.

The proposed well is to be located 660' FNL & 2,500' FWL of Section 10-T26N-R3W, Rio Arriba County, New Mexico and dedicated to a standard 320 acre gas spacing unit consisting of the W/2 of said Section 10, in the Blanco Mesaverde gas pool.

The proposed well is closer than 660 feet to the eastern boundary of the proration unit, causing a non-standard location. The well is proposed at this unorthodox location to move as far east in the NW/4 of Section 10 as possible in an attempt to drill in the best reservoir quality and thickness. (see attached geologic explanation)

The Jicarilla 115E-2R (API 30-039-26392) was originally permitted on February 23, 2000 to be located 660' FNL and 1,980' FWL of Section 10-T26N-R3W but was abandoned April 10, 2001 without being drilled after the results of our Jicarilla 115E-13R and other offsetting wells were reviewed. The Jicarilla 115E-13R (API 30-039-26351) well is located 1,010' FSL and 1,555' FWL of Section 3-T26N-R3W, was completed April 27, 2000, as a Mesaverde well, at a plugged back total depth of 7,683' and has produced 18,977 MCF/G through October 2002.

The Jicarilla 10 #1 (API #30-039-06533) located 1,850' FSL and 1,850' FWL of Section 10-T26N-R3W was drilled to a total depth of 6,050', completed on August 15, 1959 as a Mesaverde dry hole and plugged and abandoned on June 16, 1965.

The E 10 #9 (API #30-039-06553) located 1,850' FSL and 1,850' FWL of Section 10-T26N-R3W was drilled to a total depth of 6,085', completed on August 15, 1959 as a Mesaverde dry hole being plugged and abandoned August 21, 1959.

A copy of this Application is being submitted to all offset operator/owner by certified mail with a request that they furnish your office in Santa Fe a Waiver of Objection.

Attached is a well location plat showing dedicated acreage (C-102), a topographic plat of the area, and a map showing all offsetting owners.

Your favorable consideration of this request would be appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Richard Corcoran".

Richard Corcoran
District Landman

District II
PO Drawer 00, Artesia, NM 88211-0719

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

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-27310		*Pool Code 72319	*Pool Name BLANCO MESAVERDE
*Property Code 21942	*Property Name JICARILLA 115E		*Well Number 2R
*OGRID No. 162928	*Operator Name ENERGEN RESOURCES CORPORATION		*Elevation 6982'

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
C	10	26N	3W		660	NORTH	2500	WEST	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

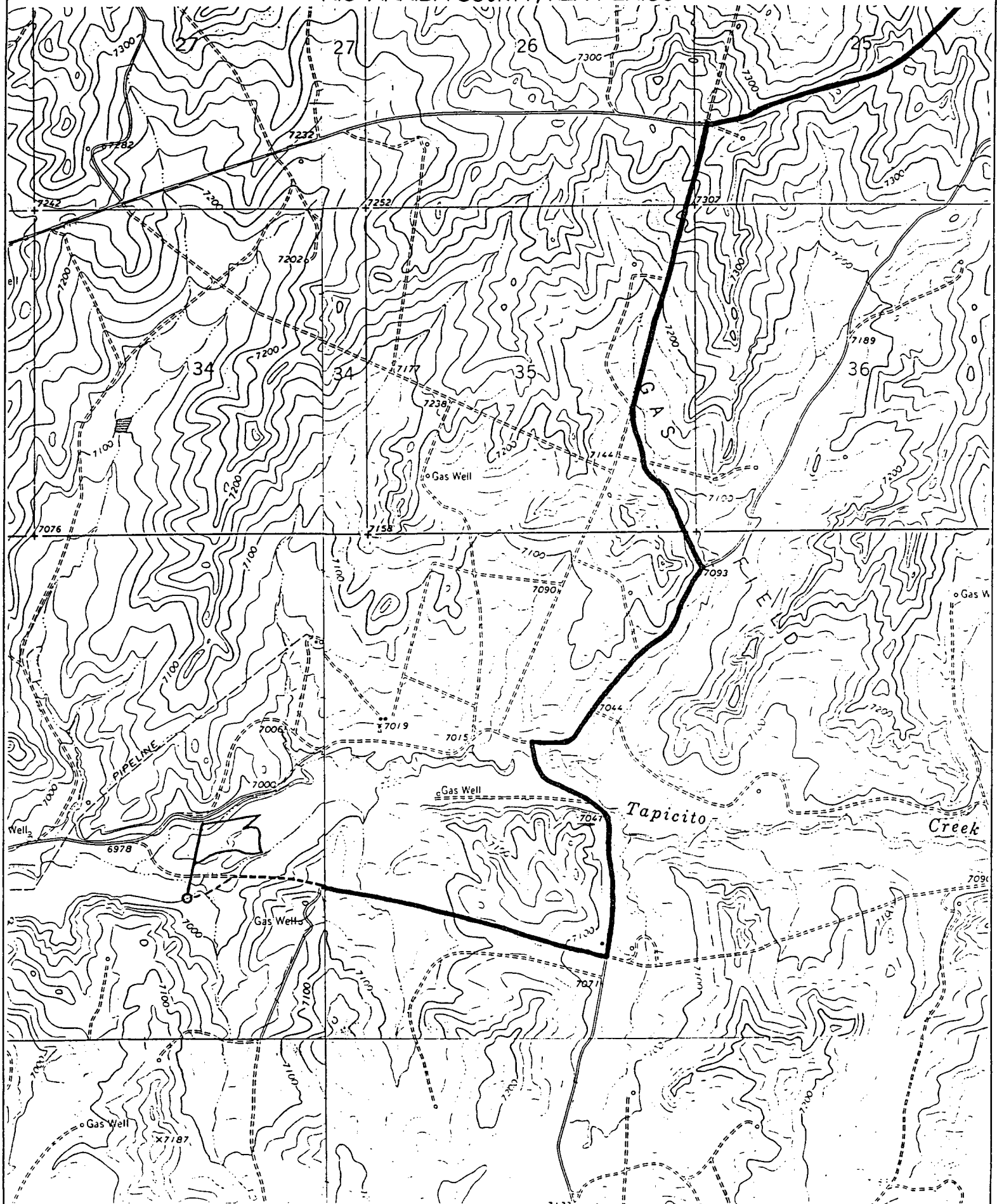
¹² Dedicated Acres 320.0 Acres - (W/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <u>Don Graham</u> Signature Don Graham Printed Name Production Superintendent Title <u>11-27-02</u> 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. Date of Survey: <u>AUGUST 7, 2002</u> Signature and Seal of Professional Surveyor <u>JASON C. EDWARDS</u> Certificate Number 15269

ENERGEN REFINOURCES CORPORATION JIC ARRILLA 115E #2R

660' FNL & 2500' FWL, SECTION 10, T26N, R3W, N.M.P.M.
RIO ARRIBA COUNTY, NEW MEXICO



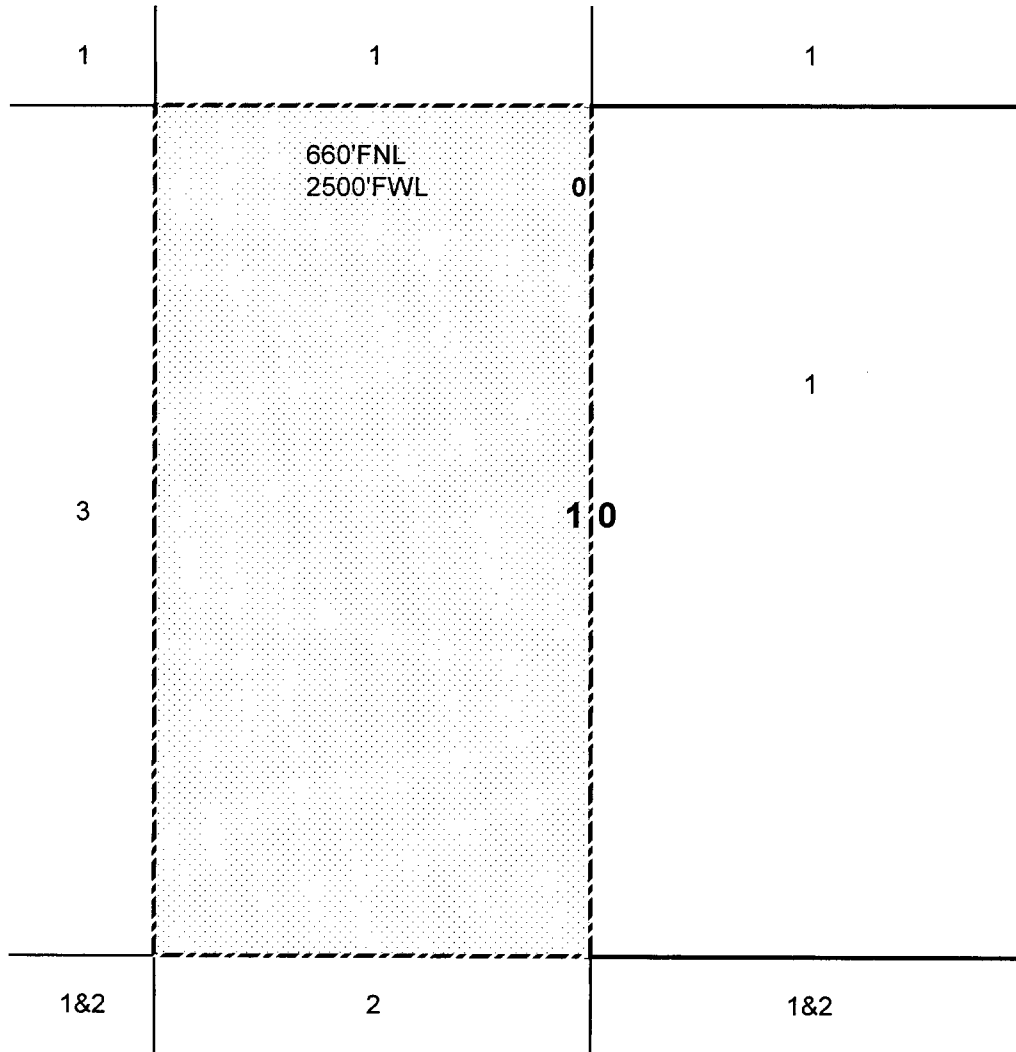
Energen Resources Corporation

Jicarilla 115E-2R

OFFSET OPERATOR \ OWNER PLAT

Mesa Verde Formation

W/2 Section 10, Township 26 North - Range 3 West



Tract 1 Energen Resources Corp. Sec.3:All; Sec.4:E/2; Sec9:NE/4; Sec10:E/2; Sec.15:NE/4

Tract 2 Sec.15: W/2 & SE/4; Sec.16: NE/4 Jicarilla Tribe

Tract 3 Sec. 9: SE/4 Conoco-Phillips

Jicarilla 115E-2R

Unorthodox location for geologic-economic reasons

Explanation

The Jicarilla 115E-2R (nw 10, 26N-3W) is a very risky Mesaverde step-out location. It is a re-drill of a dry hole in the same quarter-section (115E-2). There is also a dry hole in the sw quarter of section 10. In addition, Energen drilled an uneconomic well in the sw quarter of section 3, immediately to the north of the proposed well. This well, the 115E-13R, was drilled in 2000, and has cumulative production of 18 mmcf and is currently producing 25 mcfd.

The primary Mesaverde reservoir at this location is the Point Lookout formation. The Point Lookout sand quality decreases significantly as you go from east to west, which controls the edge of the field and is the reason for the dry holes and uneconomic wells.

A well drilled at an orthodox location in the nw/4 would not be economic in the Mesaverde. The unorthodox location for the 115E-2R is as far east as possible in an attempt to establish commercial Mesaverde production. Even at this unorthodox location there is significant risk of drilling an uneconomic well.

(WELLS DRILLED PRIOR TO 1999)

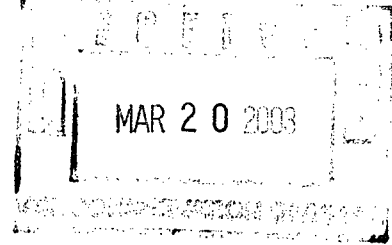




P.O. Box 2197
Houston, TX 77252-2197

March 17, 2003

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

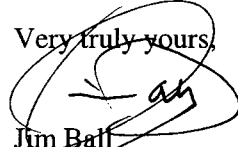


Re: ADMINISTRATIVE APPROVAL OF
UNORTHODOX LOCATION FOR
THE FOLLOWING:
660 FNL & 2500 FEL
Jicarilla 115E-2R
Section 10, T26N-R3W
Rio Arriba County, New Mexico

Dear Mr. Stogner:

ConocoPhillips Company has executed the enclosed Waiver letter to the captioned application of
ENERGEN RESOURCES.

Very truly yours,


Jim Ball
Senior Landman
San Juan/Rockies
(832) 486-2360

Enclosures
cc: Mr. Richard Cocoran



March 6, 2003

ConocoPhillips
Attn: Jim Ball
Senior Landman
P. O. Box 2197
Houston, TX 77252

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION
JICARILLA 115 E #2R WELL
660' FNL & 2,500' FWL
SECTION 10-T26N-R3W
RIO ARriba COUNTY, NEW MEXICO

Dear Interest Owner:

Energen Resources Corporation has filed with the New Mexico Oil Conservation Division (NMOCD), an application for the Administrative Approval of an Unorthodox Location for its Jicarilla 115 E #2R well. A copy of the application has been attached for your review.

If you have no objection to this unorthodox location, please sign the three copies of the attached waiver, return one executed copy to the NMOCD at 1220 South Saint Frances Drive in Santa Fe, New Mexico 87505, one copy to our office and retain one copy for your files.

Your cooperation in this matter is appreciated.

Sincerely,

Richard P. Corcoran
District Landman

RC/ga

WAIVER

ConocoPhillips Company hereby waives objection to the above referenced Application for Unorthodox Location for Energen Resources Corporation's Jicarilla 115 E #2R well.

Date: 3/17/03 By:
cc: OCD-Aztec office, BLM-Farmington office, Offset Operators

JIM BALL
SR. LAND SPECIALIST
SAN JUAN AREA