



June 4, 2012

New Mexico Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, N.M. 87505

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RE: Case No. 14862  
Application of ConocoPhillips Company and  
Burlington Resources Oil & Gas Company  
Pre-Approval of downhole commingling  
Basin Mancos, Dakota and Mesaverde formations  
San Juan, Rio Arriba and Sandoval Counties, New Mexico

Gentlemen:

Energen Resources Corporation (Energen) has received notice of Case No. 14862. This Case requests approval of downhole commingling of the Basin Mancos Gas Pool with production from the Dakota and Mesaverde formations.

Energen is an operator of wells in all three of the pools mentioned and actively drills and completes wells to these formations. It is noted that the Mancos formation is a part of many Gallup pools in the San Juan Basin. In the hearing to establish the Basin Mancos Pool the approval stated that the prior Gallup pools remain and drilling of acreage outside the existing Gallup pool would be considered as Mancos completions. There are a large number of Gallup pools which have previously been approved for downhole commingling with the Dakota and Mesaverde. In the hearings to establish and set up these pools sufficient evidence was shown to allow downhole commingling of these formations. This evidence and that to be shown at hearing by ConocoPhillips should be sufficient to indicate that downhole commingling should be allowed.

Energen completely supports the proposal made by ConocoPhillips and in Energen's opinion the application involving Case No. 14862 should be approved.

Sincerely,

David M. Poage  
Land Manager  
San Juan District