

6/23/99	7/13/99	DC	KV	DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

2396

- Engineering Bureau -

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

JUN 23 1999

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, ORRI) 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
 Print or Type Name

[Signature]
 Signature

Production Spt.
 Title

6/22/99
 Date



June 21, 1999

Ms. Lori Wrotenberry
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RE: Administrative Approval to Downhole Commingle
Energen Resources Corporation
Jicarilla West #8
900' FNL, 990' FEL, Sec. 6, T26N, R5W, N.M.P.M.
Rio Arriba County, New Mexico

Dear Ms. Wrotenberry:

Energen Resources Corporation requests to downhole commingle the Blanco Mesaverde and Basin Dakota pools in the subject well. The well is currently producing as a Mesaverde / Dakota dual completion. The Mesaverde Zone has experienced liquid loading problems and it is felt downhole commingling will eliminate excessive operational problems and allow the Dakota flow stream to aid in keeping the Mesaverde Zone unloaded and producing.

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 Commingling
2. C-102 - Location plat showing each spacing unit and dedicated acreage
3. Production curves for both the Mesaverde and Dakota
4. Offset operator plat
5. Well location plat.

In accordance to 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,

A handwritten signature in black ink, appearing to read "Gary W. Brink".

Gary W. Brink
Production Superintendent

GWB/mt

cc: NMOCD - Aztec, BLM-Albuquerque, Offset Operators
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DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

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

DISTRICT II
811 S. First St., Artesia, NM 88210-2835

OIL CONSERVATION DIVISION

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

APPROVAL PROCESS:
 Administrative Hearing

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410-1693

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE
 YES NO

ENERGEN RESOURCES CORPORATION 2198 Bloomfield Highway, NM 87401
Operator Address

Jicarilla West 8 A Sec. 6 T26N R5W Rio Arriba, NM
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. 162928 Property Code 21958 API NO. 30-039-06729
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		Basin DK 71599
2. Top and Bottom of Pay Section (Perforations)	4852 - 5472		7408 - 7594
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) 538 Calc	a.	a. 1130 Calc
	b. (Original) 1250 Calc	b.	b. 3136 Calc
6. Oil Gravity (^o API) or Gas BTU Content)	1198 BTU		1152 BTU
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	Yes		No
* 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: 6/7/99 Rates: .1/33/.3	Date: Rates:	Date: 6/15/99 Rates: .5/86/.1
8. Fixed Percentage Allocation Formula -% for each zone	Oil: 17% Gas: 28%	Oil: % Gas: %	Oil: 83% Gas: 72%

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 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 [Signature] TITLE Prod. Superintendent DATE 6/22/99

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

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 S. 1st Street, Artesia, NM 88210-2834
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-06729	² Pool Code 72319/71599	³ Pool Name Blanco MV/Basin DK
⁴ Property Code 21958	⁵ Property Name Jicarilla West	
⁷ OGRID No. 162928	⁸ Operator Name ENERGEN RESOURCES CORPORATION	⁶ Well Number 8
		⁹ Elevation 6543'

¹⁰ Surface Location

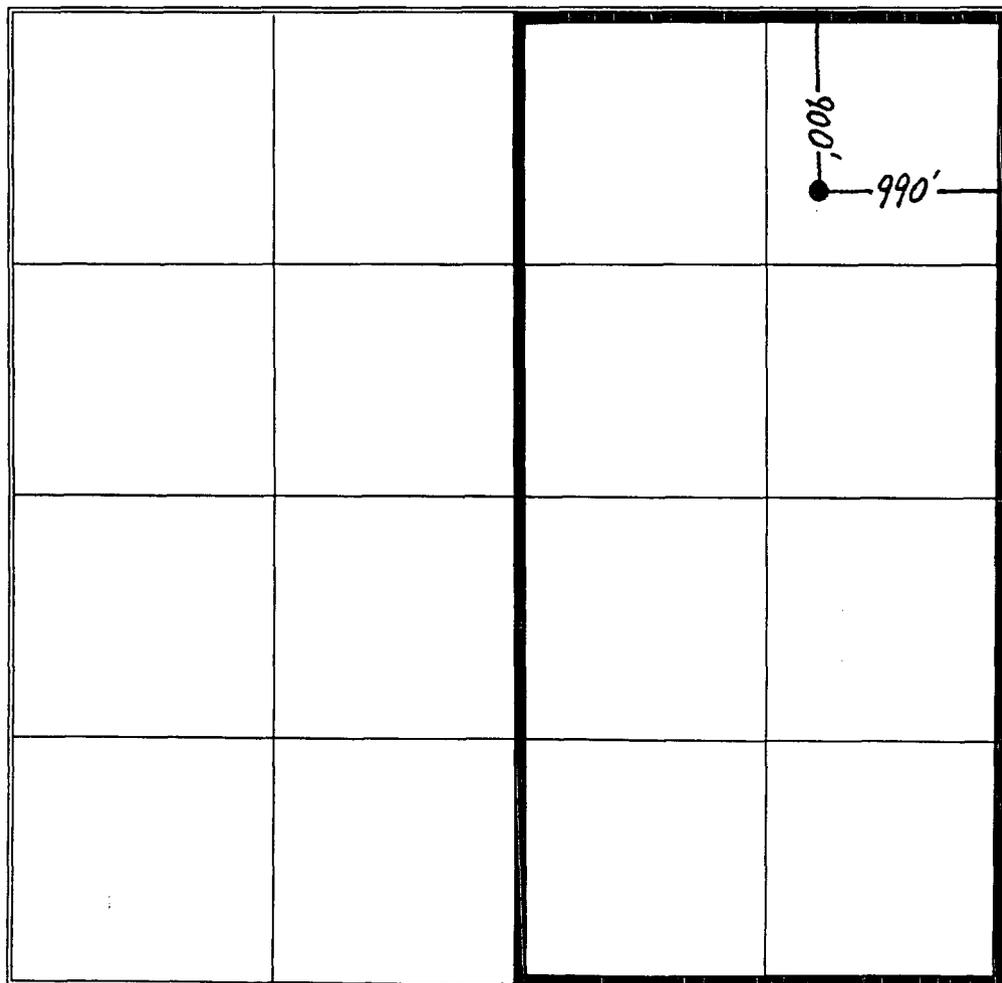
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
A	6	26N	5W		900'	N	990'	E	Rio Arriba

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 320/320	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.

[Signature]
 Signature

Gary W. Brink
 Printed Name

Production Superintendent
 Title

6/22/99
 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.

October 31, 1959
 Date of Survey

Reissue of original survey
 by Ernest Echohawk
 Signature and Seal of Professional Surveyor:

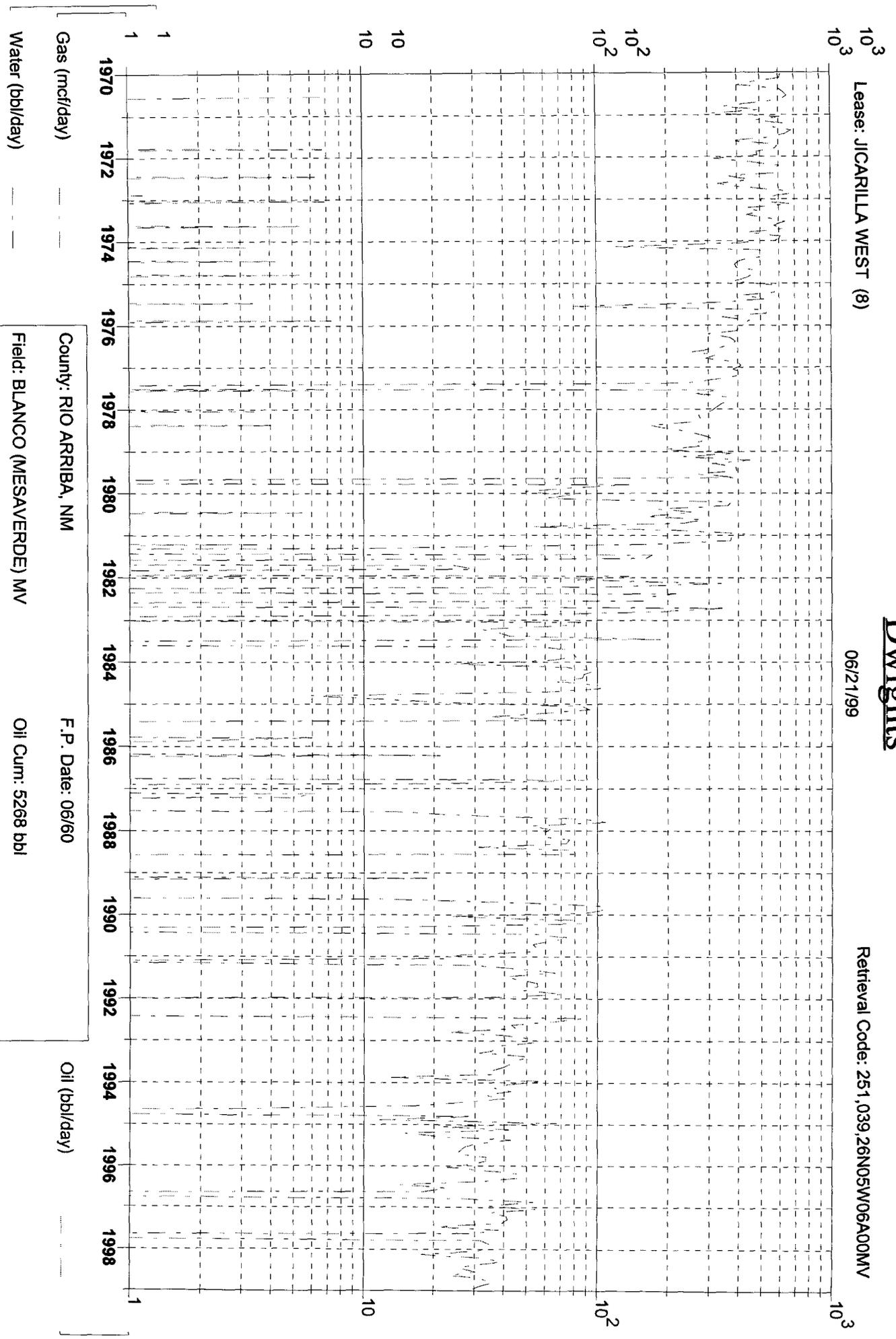
Certificate Number

Dwights

Lease: JICARILLA WEST (8)

06/21/99

Retrieval Code: 251,039,26N05W06A00MV



County: RIO ARRIBA, NM

Field: BLANCO (MESAVERDE) MV

Reservoir: MESAVERDE

Operator: ENERGEN RESOURCES

F.P. Date: 06/60

Oil Cum: 5268 bbl

Gas Cum: 3608 mmcf

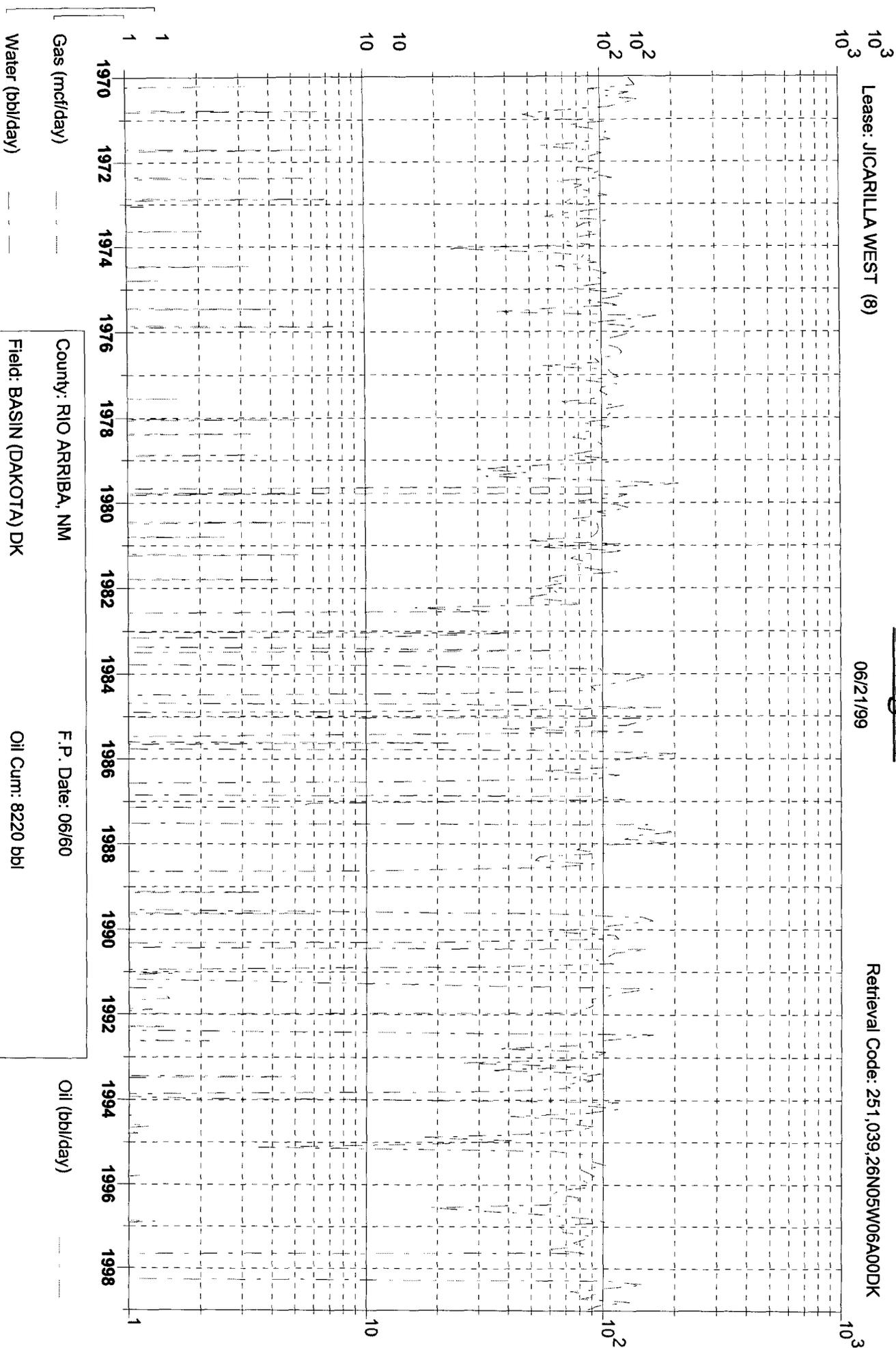
Location: 6A 26N 5W

Dwights

Lease: JICARILLA WEST (8)

06/21/99

Retrieval Code: 251.039.26N05W06A00DK



County: RIO ARRIBA, NM

F.P. Date: 06/60

Oil (bbl/day)

Field: BASIN (DAKOTA) DK

Oil Cum: 8220 bbl

Reservoir: DAKOTA

Gas Cum: 1522 mmcf

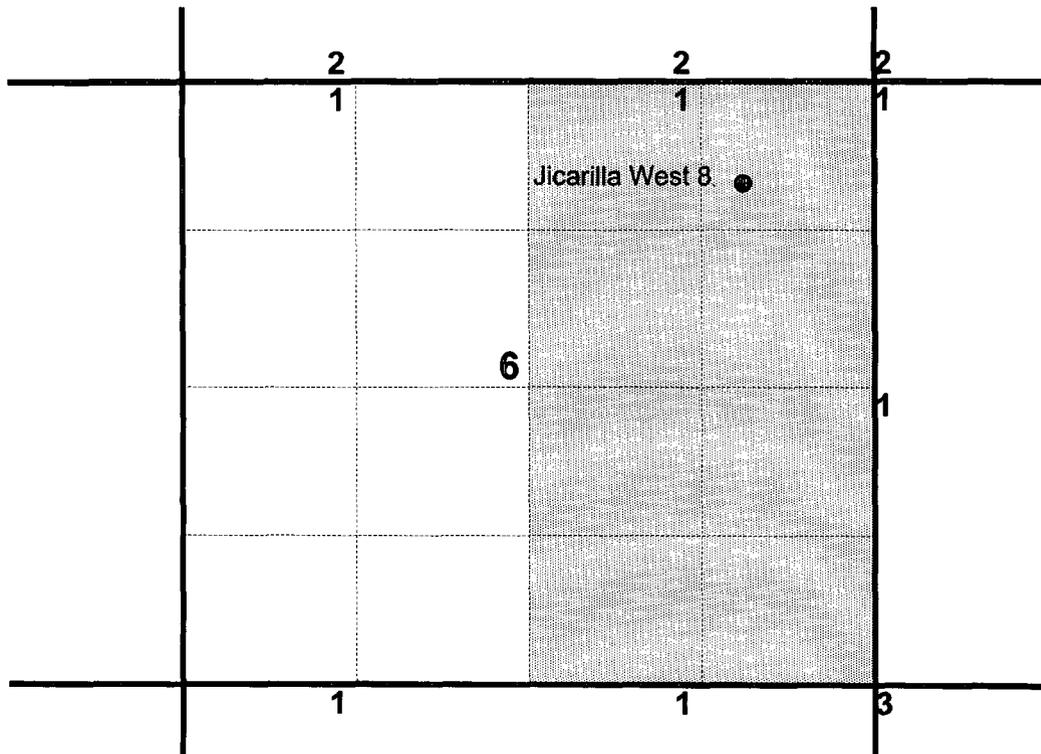
Operator ENERGEN RESOURCES

Location: 6A 26N 5W

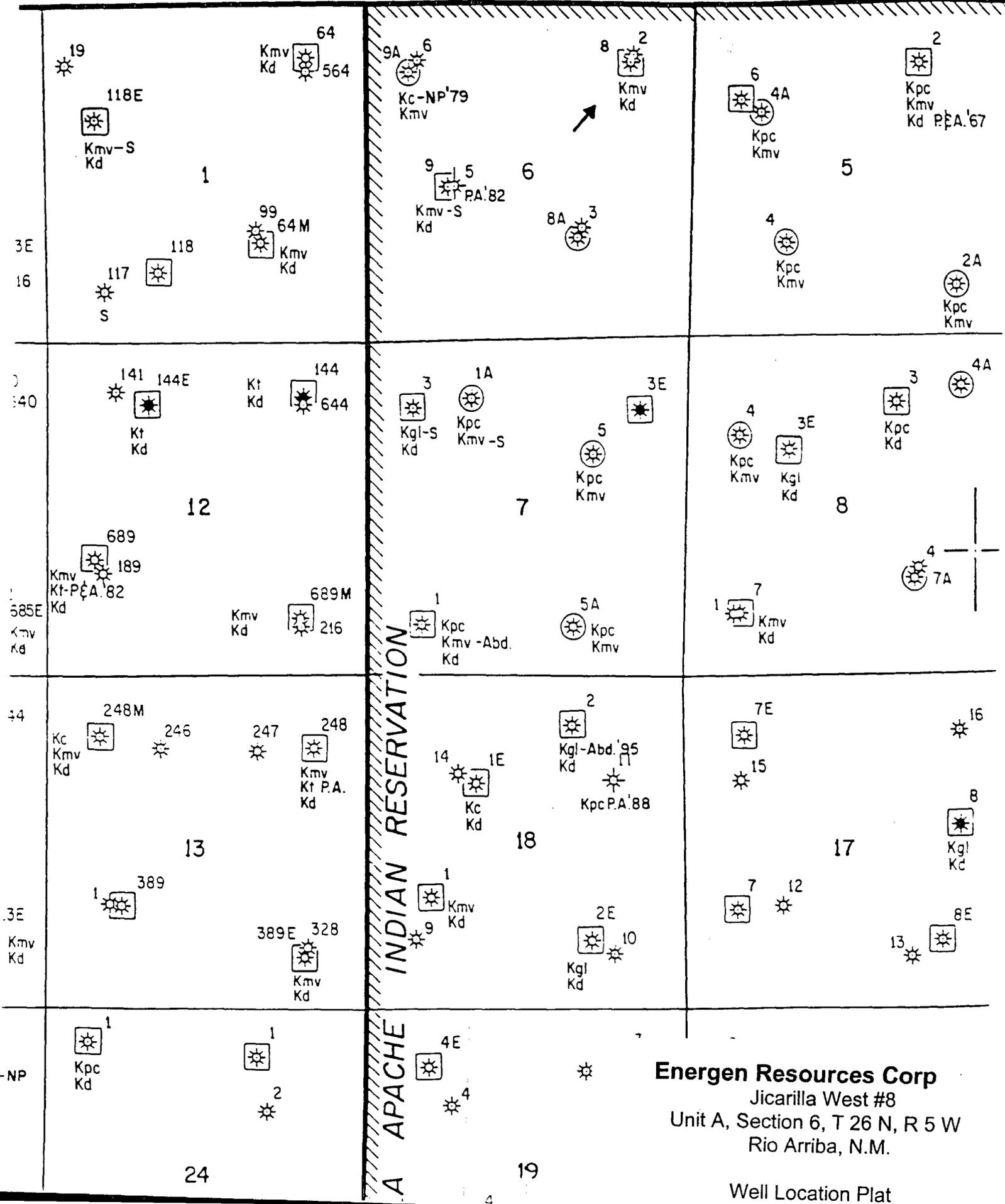
Energen Resources Corp.

Jicarilla West 8
Offset Operator / Ownership Plat
Blanco Mesa Verde/ Basin Dakota
Downhole Commingling

Township 26 N, Range 5 W



- 1) Energen Resources
- 2) Burlington Resources
P.O. Box 4289
Farmington, N.M. 87499
- 3) Graystone Energy Inc.
5802 Highway 64
Farmington, N.M. 87401



INDIAN RESERVATION
A APACHE

Energen Resources Corp
 Jicarilla West #8
 Unit A, Section 6, T 26 N, R 5 W
 Rio Arriba, N.M.

Well Location Plat

3E
16

340

585E
Kmv
Kd

44

3E
Kmv
Kd

-NP

1

12

13

24

6

7

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