

3/3/00	3/23/00	DC	KW	DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- 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]

2694

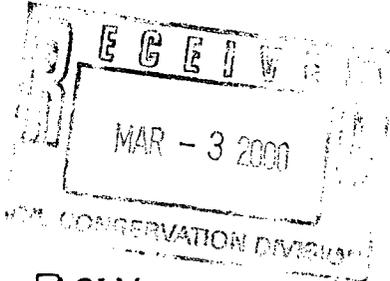
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [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, 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: Statements must be completed by an individual with supervisory capacity

Greg Bank  
Print or Type Name

[Signature]  
Signature

Production Supt  
Title

2/29/00  
Date



February 28, 2000

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 99 #7  
990' FSL, 990' FWL, Sec. 13, T26N, R3W, N.M.P.M.  
Rio Arriba County, New Mexico

Dear Ms. Wrotenberry:

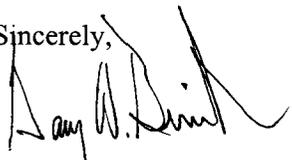
Energen Resources Corporation requests administrative approval for downhole commingling the Gavilan Pictured Cliffs and Blanco Mesaverde pools in the subject well. The well is currently producing as a Pictured Cliffs/Mesaverde dual completion. The Pictured Cliffs zone has experienced liquid loading problems and it is felt downhole commingling will eliminate excessive operational expenditures and allow the Mesa Verde flowstream to aid in keeping the Pictured Cliffs 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 Pictured Cliffs and Mesaverde
4. Offset operator plat
5. Well location plat.

Energen Resources Corporation operates all offset proration units.

If additional information is needed, please contact me.

Sincerely,  


Gary W. Brink  
Production Superintendent

GWB/mp

cc: NMOCD - Aztec, BLM-Albuquerque  
F:\MONICA\PRODUCT\VOCD\JIC99-7 2-00.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

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

**OIL CONSERVATION DIVISION**

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

APPROVAL PROCESS:

Administrative  Hearing

EXISTING WELLBORE

YES  NO

**APPLICATION FOR DOWNHOLE COMMINGLING**

ENERGEN RESOURCES CORPORATION 2198 Bloomfield Highway, Farmington, New Mexico 87401  
Operator Address

Jicarilla 99 7 M Sec. 13 T26N R3W Rio Arriba County, NM  
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. 162928 Property Code 007168 API NO. 30-039-06438 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	Gavilan PC 77360		Blanco MV 72319
2. Top and Bottom of Pay Section (Perforations)	3817-3873		5558-6048
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) 355 calc.	a.	a. 305 calc.
	b. (Original) 1067 calc.	b.	b. 1861 calc.
6. Oil Gravity ( <sup>o</sup> API) or Gas BTU Content)	1253 BTU		1248 BTU
7. Producing or Shut-In?	producing		producing
Production Marginal? (yes or no)	yes		yes
* 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: 2/17/00 Rates: 0/19/.2	Date: Rates:	Date: 2/21/00 Rates: .4/35/.1
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0% Gas: 35%	Oil: % Gas: %	Oil: 100% Gas: 65%

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 2/28/00

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

<sup>1</sup> API Number 30-039-06438	<sup>2</sup> Pool Code 77360/72319	<sup>3</sup> Pool Name Gavilan Pictured Cliffs/Blanco Mesa Verde
<sup>4</sup> Property Code 007168	<sup>5</sup> Property Name Jicarilla 99	
<sup>7</sup> OGRID No. 162928	<sup>8</sup> Operator Name ENERGEN RESOURCES CORPORATION	<sup>6</sup> Well Number 7
<sup>9</sup> Elevation 7358 GL		

<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
M	13	26N	3W		990	South	990	West	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 160/320	<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

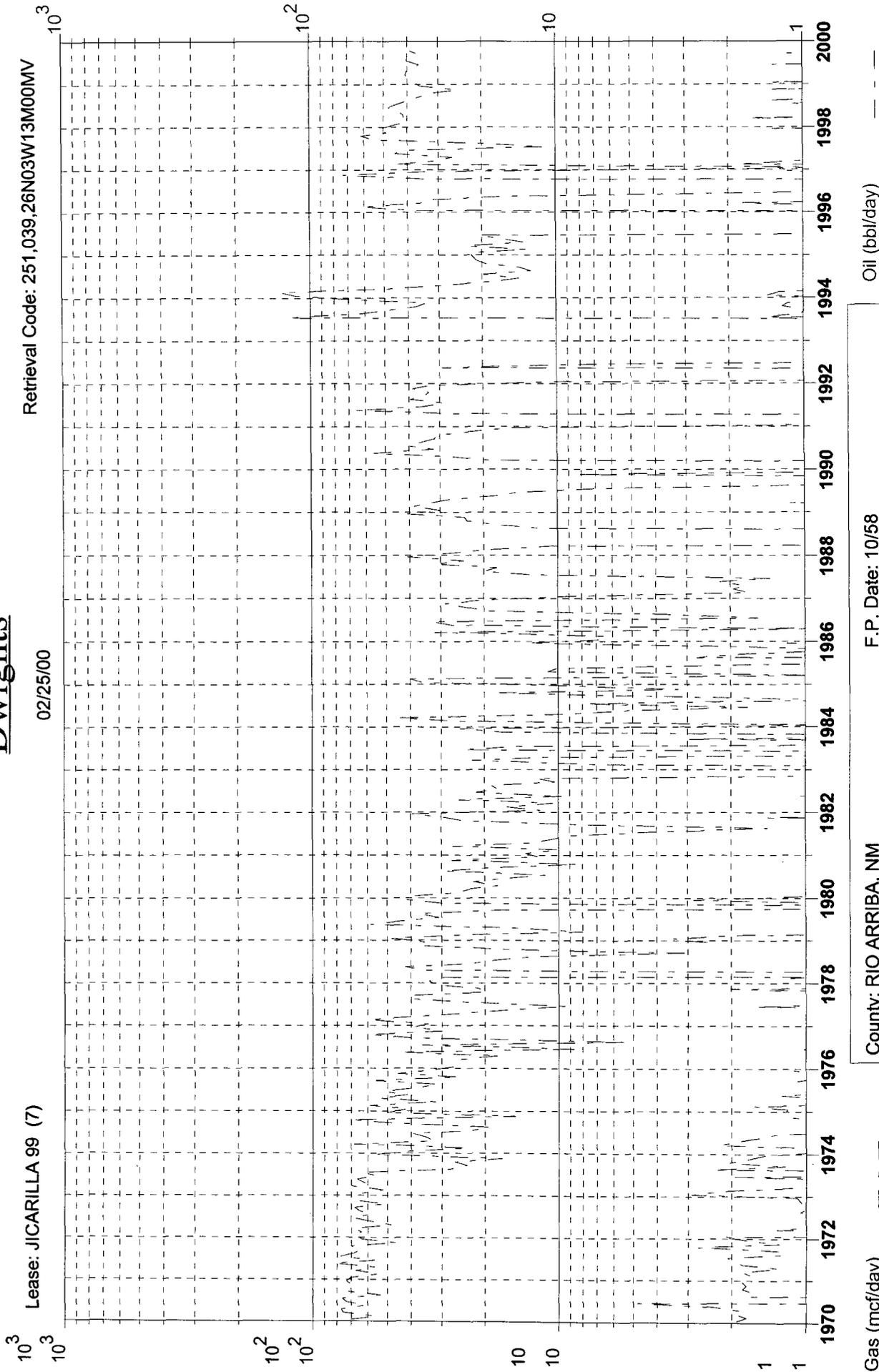
	<p><sup>17</sup> OPERATOR CERTIFICATION  <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>[Signature]</i></p> <p>Signature          Gary W. Brink          Printed Name          Production Superintendent          Title          2/28/00          Date</p>	
	<p><sup>18</sup> SURVEYOR CERTIFICATION  <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></p> <p>6/15/58          Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>	

# Dwights

Lease: JICARILLA 99 (7)

02/25/00

Retrieval Code: 251,039,26N03W13M00MV



Gas (mcf/day) - - -

Water (bbl/day) - . - .

Oil (bbl/day) . . . .

County: RIO ARRIBA, NM

F.P. Date: 10/58

Field: BLANCO (MESAVERDE) MV

Oil Cum: 11.39 mbbbl

Reservoir: MESAVERDE

Gas Cum: 669.2 mmcf

Operator: ENERGEN RESOURCES

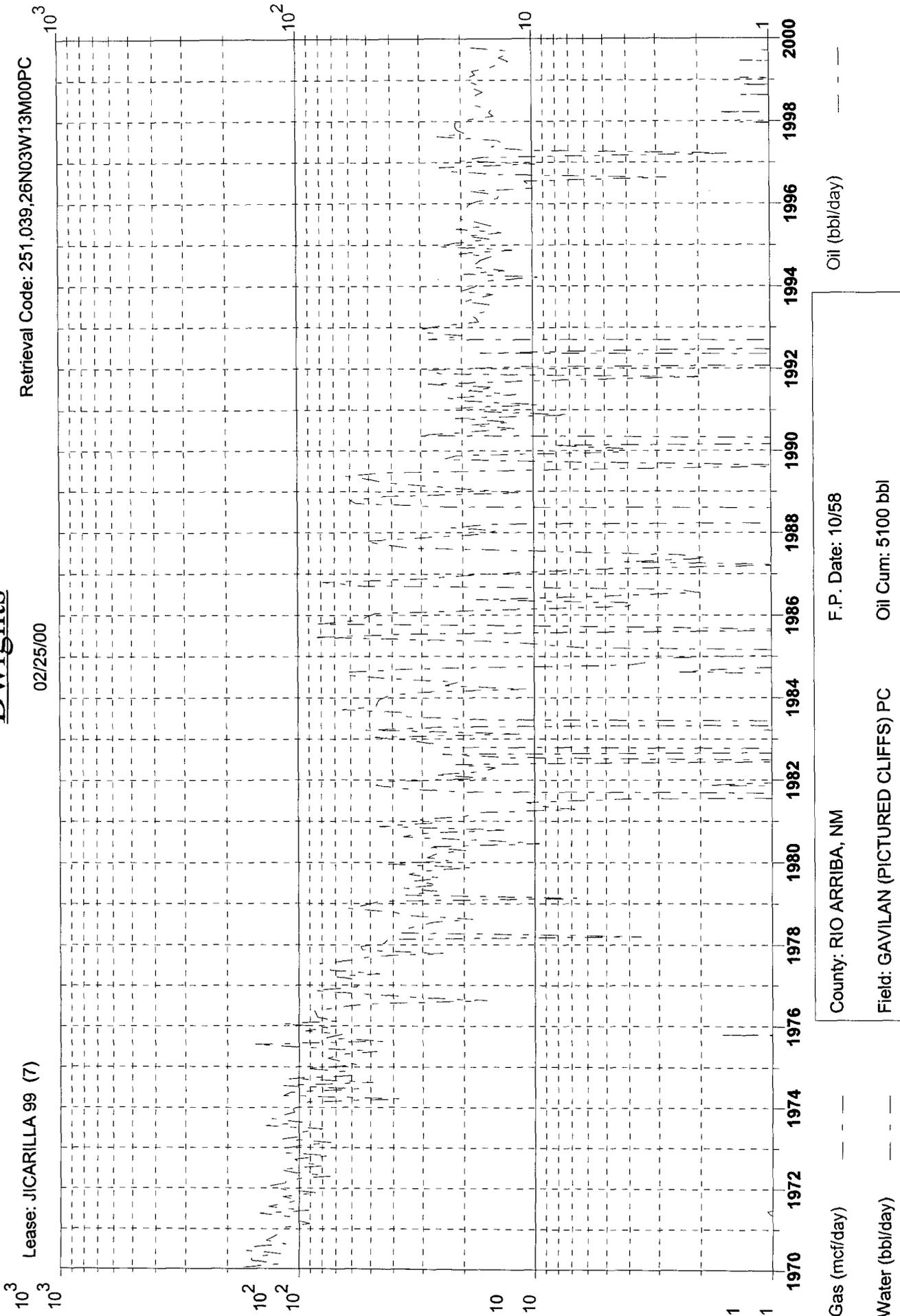
Location: 13M 26N 3W

# Dwights

Lease: JICARILLA 99 (7)

02/25/00

Retrieval Code: 251,039,26N03W13M00PC



Gas (mcf/day) - - - -

Water (bbl/day) — — —

Oil (bbl/day) - . - . -

F. P. Date: 10/58

County: RIO ARRIBA, NM

Field: GAVILAN (PICTURED CLIFFS) PC

Oil Cum: 5100 bbl

Reservoir: PICTURED CLIFFS

Gas Cum: 1276 mmcf

Operator: ENERGEN RESOURCES

Location: 13M 26N 3W

# Energen Resources Corp.

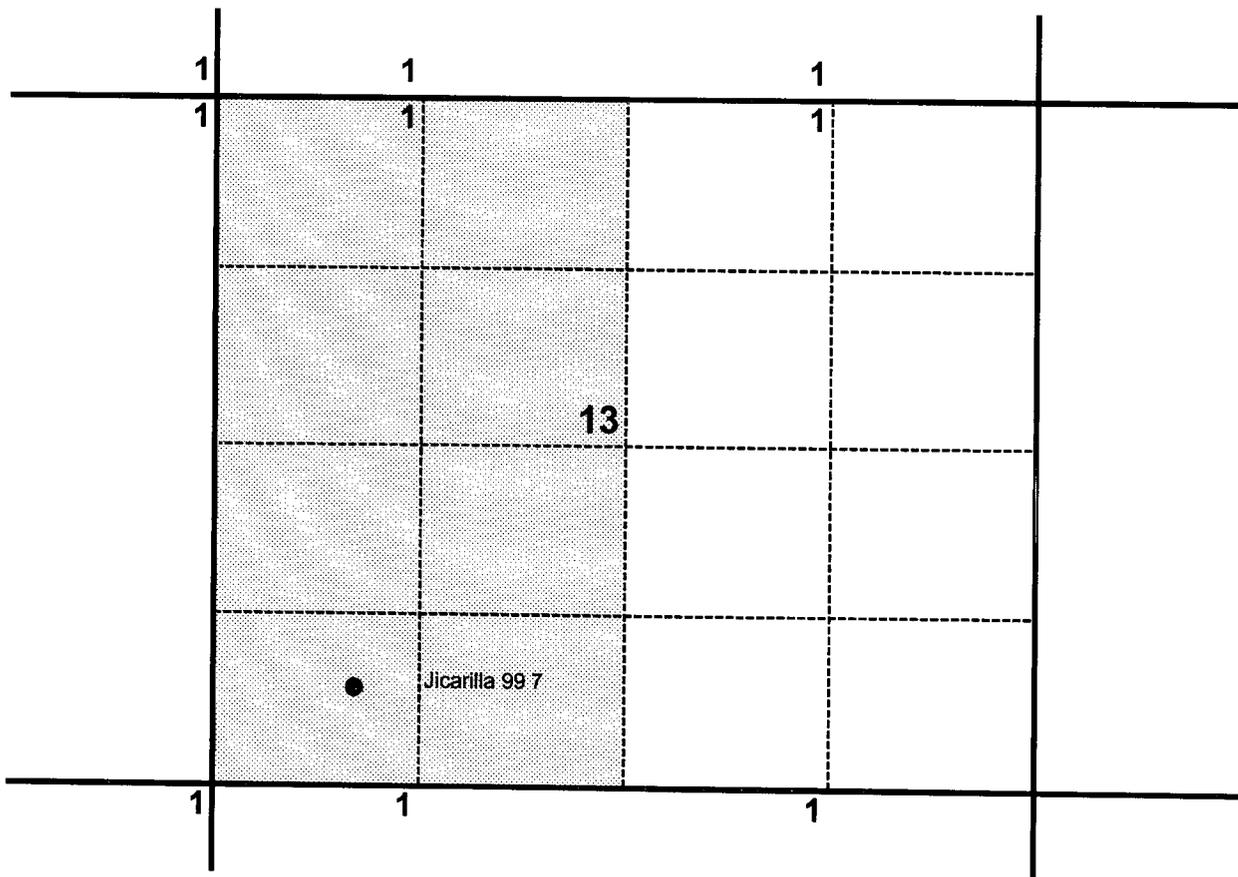
Jicarilla 99 #7

Offset Operator / Ownership Plat

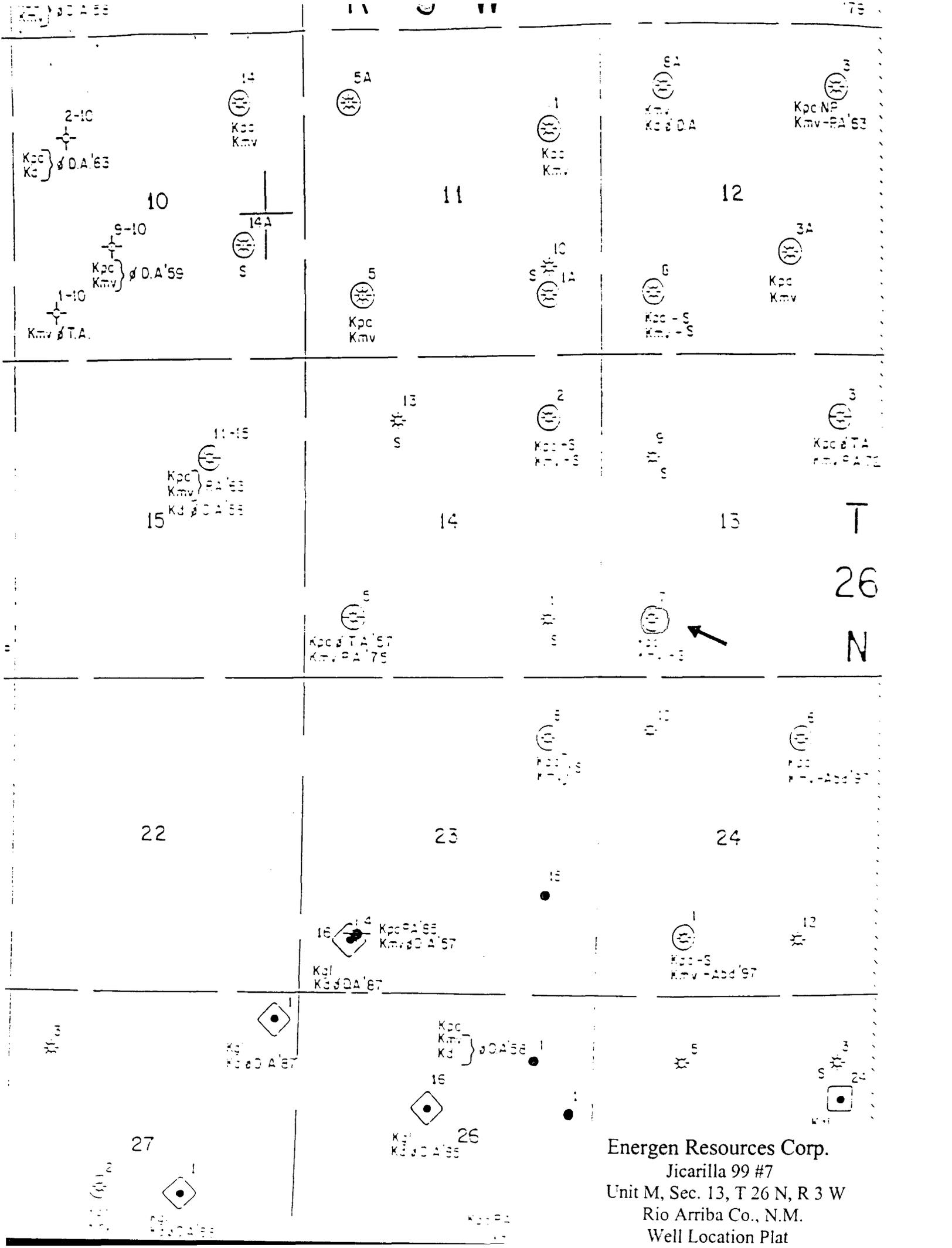
Gavilan Pictured Cliffs/ Blanco Mesa Verde

Downhole Commingling

Township 26 N, Range 3 W



1) Energen Resources



Energien Resources Corp.  
 Jicarilla 99 #7  
 Unit M, Sec. 13, T 26 N, R 3 W  
 Rio Arriba Co., N.M.  
 Well Location Plat