



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-1844-A

Energen Resources Corporation
2198 Bloomfield Highway
Farmington, New Mexico 87401

Attention: Mr. Charlie Donahue

*Wright State Com Well No. 1E
API No. 30-045-25930
Unit I, Section 36, Township 32 North, Range 13 West, NMPM,
San Juan County, New Mexico
Blanco-Mesaverde (Prorated Gas - 72319),
Wildcat-Gallup (Gas -96535), and
Basin-Dakota (Prorated Gas - 71599) Pools*

Dear Mr. Donahue:

Reference is made to your recent application for an amendment to Division Order No. DHC-1844 dated March 20, 1998, which order authorized the downhole commingling of Basin-Dakota and Wildcat-Gallup Pool production within the Wright State Com Well No. 1E. It is our understanding that the Blanco-Mesaverde Pool will now be added as a third commingled zone in the well.

It appearing that the subject well qualifies for approval for such amendment pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas that may be produced daily from the well shall be determined by Division Rules and Regulations.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

The Blanco-Mesaverde Pool shall be tested for a period of approximately 60 days after obtaining stabilized production. During this test period, 95 MCF of gas and 1 barrel of oil per day shall be attributed to the commingled Basin-Dakota and Wildcat-Gallup Pools, and shall be allocated between these pools as follows. The remainder shall be allocated to the Blanco-Mesaverde Pool.

| | | |
|---------------------|----------|---------|
| Wildcat-Gallup Pool | Oil-0% | Gas-12% |
| Basin-Dakota Pool | Oil-100% | Gas-88% |

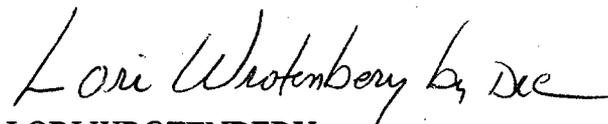
Subsequent to the testing period, the applicant shall consult with the supervisor of the Division's Aztec District Office in order to determine a fixed allocation for each of the commingled zones. After the allocation has been approved by the Division's Aztec District Office, the applicant shall forward a copy of this approved allocation to the Santa Fe Office of the Division.

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 14th day of January, 2004.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERG
Division Director

LW/DRC

cc: Oil Conservation Division – Aztec
State Land Office-Oil & Gas Division