

Amend DHC-1844

November 21, 2003

Ms. Lori Wrotenbery  
NMOCD  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

RECEIVED

DEC 01 2003

OIL CONSERVATION  
DIVISION

RE: Administrative Approval to Down-hole Commingle  
Energen Resources Corporation  
Wright State Com #1E  
1550' FSL, 790' FEL, Sec. 36, T32N, R13W, N.M.P.M.  
San Juan County, New Mexico  
API # 30-045-25930

Dear Ms. Wrotenbery,

Energen Resources Corporation requests Administrative Approval to add the Blanco Mesaverde and down-hole commingle it with the Wildcat Gallup/Basin Dakota in the subject well. The Gallup/Dakota was previously commingled in accordance with DHC-1844, on March 20, 1998. Open hole logs show potential in the Mesaverde similar to offset producing wells. It is felt that down-hole commingling is the most economical way to produce the Mesaverde reserves in this proration unit.

To comply with New Mexico Oil Conservation rules, Energen Resources Corporation is submitting the following data for your approval of the proposed commingling.

1. Form C107A – Application for Down-hole Commingle
2. C102 – Location plat showing each spacing unit and dedicated acreage
3. Production curves for the Mesaverde, Gallup and Dakota
4. Proposed allocation method

In accordance to New Mexico Oil Conservation Division Rule 303C, the working, royalty and overriding royalty interests are common in this wellbore, so no notification is necessary.

If additional information is needed, please contact me.

Sincerely



Charlie Donahue  
District Engineer

CD/vd

cc: NMOCD – Aztec

District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
1301 W. Grand Avenue, Artesia, NM 88210

District III  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE  
 Single Well  
 Establish Pre-Approved Pools  
EXISTING WELLBORE  
 Yes  No

APPLICATION FOR DOWNHOLE COMMINGLING

Energen Resources 2198 Bloomfield Highway, Farmington, NM 87401

Operator Address  
Wright State Com 1E I-36-32N-13W San Juan

Lease Well No. Unit Letter-Section-Township-Range County  
OGRID No. 162928 Property Code: 007651 API No. 30-045-25930 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blanco Mesaverde	(WC);32N13W36I; Gallup	Basin Dakota
Pool Code	72319	96535	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4450 - 4720'	5810 - 6315'	6680 - 6907'
Method of Production (Flowing or Artificial Lift)	Not Completed	Flowing	Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	820 Est.	684 Calc.	766 Calc.
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1240 BTU Est.	1196 BTU	1196 BTU
Producing, Shut-In or New Zone	New Zone	Producing	Producing
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: 11/19/2003 Rates: 0/11/0	Date: 11/19/2003 Rates: 0.5/84/2
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas % %	Oil Gas (Current) 12 % 0 %	Oil Gas (Current) 88 % 100 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes  No   
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes  No   
Are all produced fluids from all commingled zones compatible with each other? Yes  No   
Will commingling decrease the value of production? Yes  No   
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes  No   
NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

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 working, royalty and overriding royalty interests for uncommon interest cases.  
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools  
List of all operators within the proposed Pre-Approved Pools  
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.  
Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Charlie Donahue TITLE District Engineer DATE: 11/21/2003  
TYPE OR PRINT NAME Charlie Donahue TELEPHONE NO. (505) 325-6800  
E-MAIL ADDRESS: cdonahue@energen.com

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

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

Form C-102  
 Revised February 21, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-25930		Pool Code 96535/71599/72319	Pool Name (WC);32N13W36I;Gallup/Basin Dakota/Blanco Mesaverde
Property Code 007651	Property Name Wright State Com		Well Number 1E
OGRID No. 162928	Operator Name Energen Resources Corporation		Elevation 5780'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
I	36	32 N	13 W		1550	South	790	East	S.J.

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.

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

16 Not resurveyed, prepared from a plat dated 9-21-83 by Michael Daly.

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

*Charlie Donahue*  
 Signature  
 Charlie Donahue  
 Printed Name  
 District Engineer  
 Title  
 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.

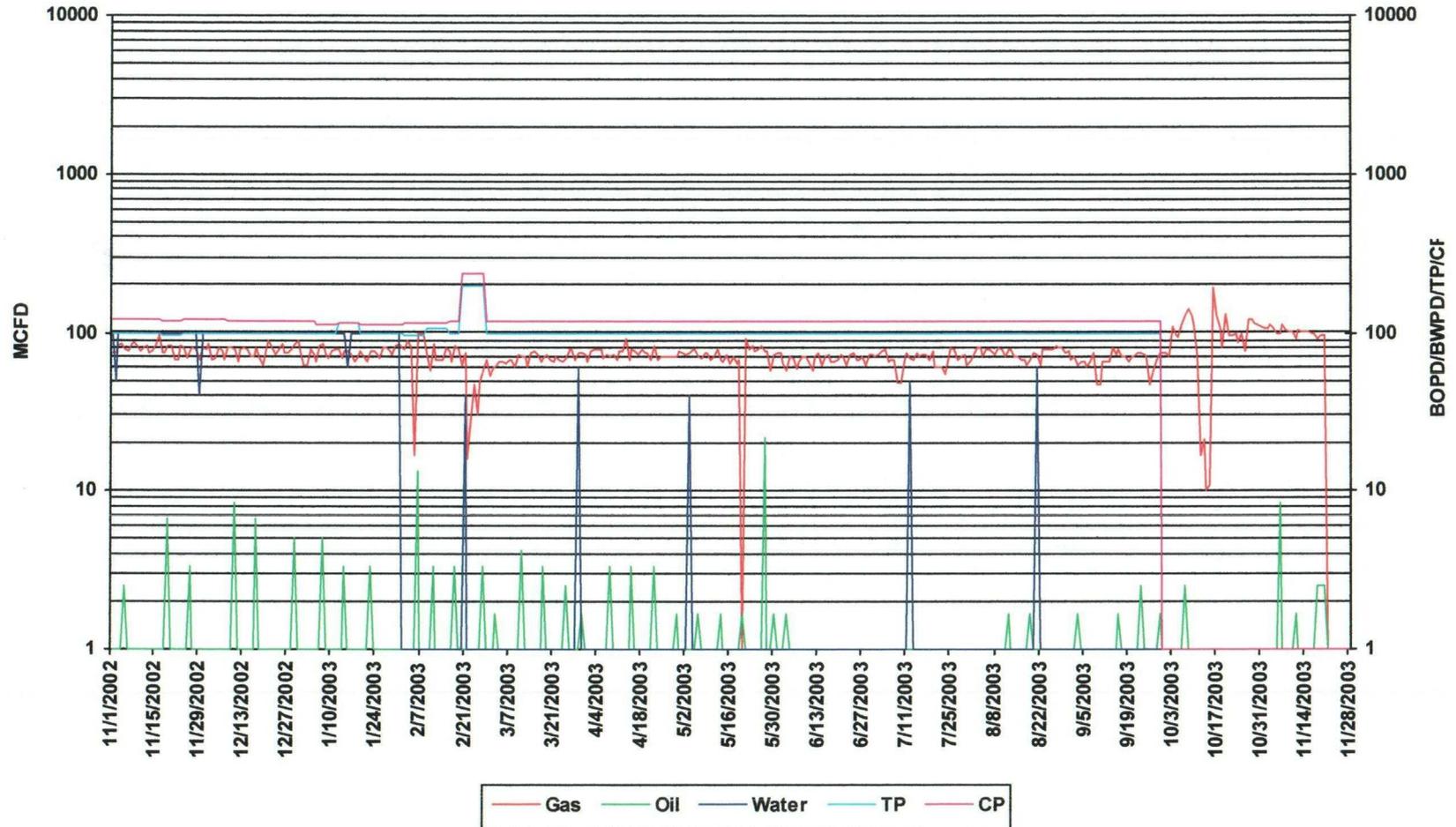
4-16-96  
 Date of Survey  
 Signature and Title of Professional Surveyor:  
  
 Certificate Number

# Facility Daily Production

Lease: WRIGHT STATE COM 1E

(Gallup/DK Summary)

Date Period: 11/1/2002 ---11/30/2003



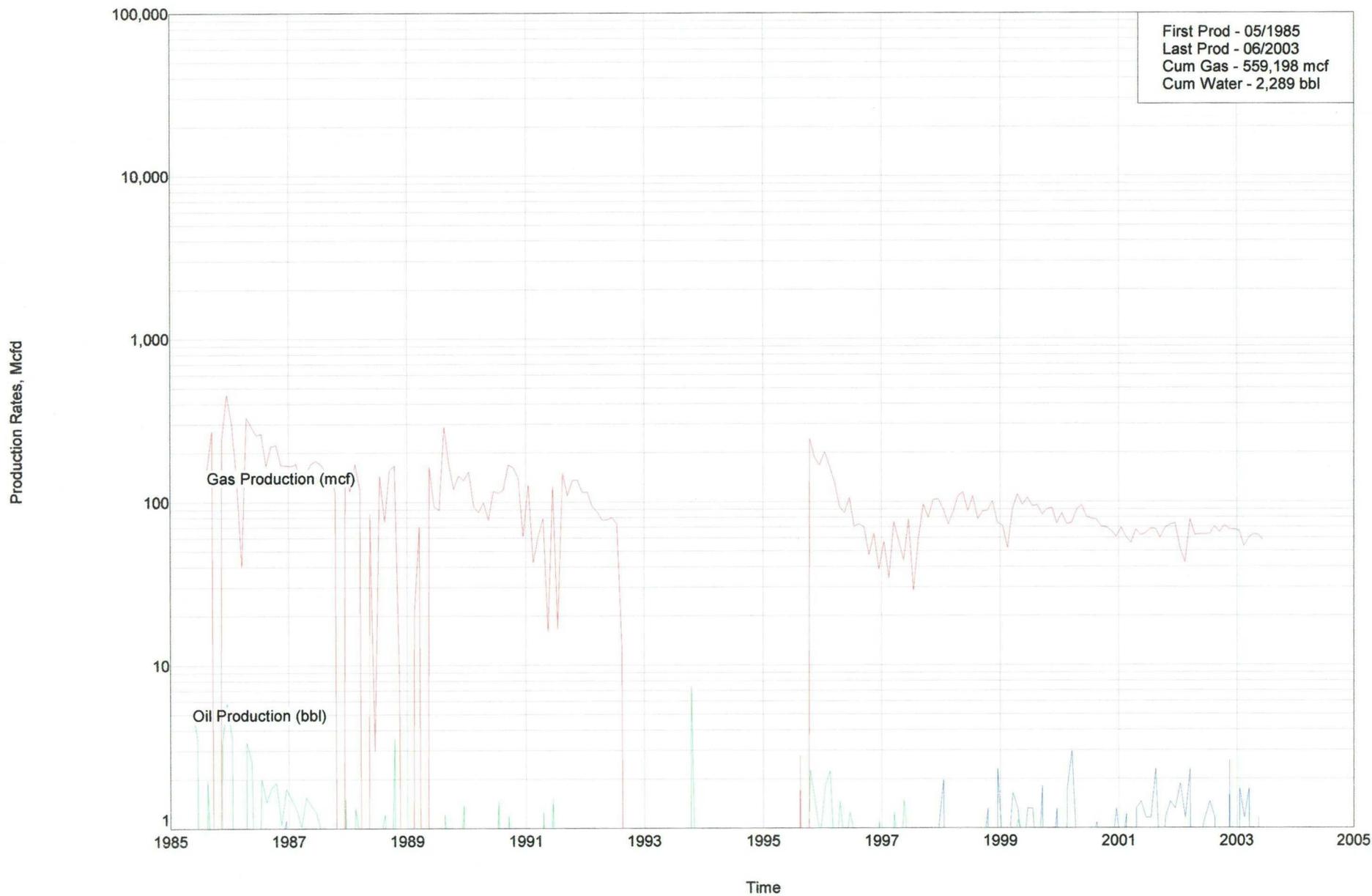
Lease Name: WRIGHT STATE COM  
County, State: SAN JUAN, NM  
Operator: ENERGEN RESOURCES CORPORATION  
Field: WILDCAT  
Reservoir: GALLUP  
Location: 36 32N 13W SW NE SE

WRIGHT STATE COM #1E



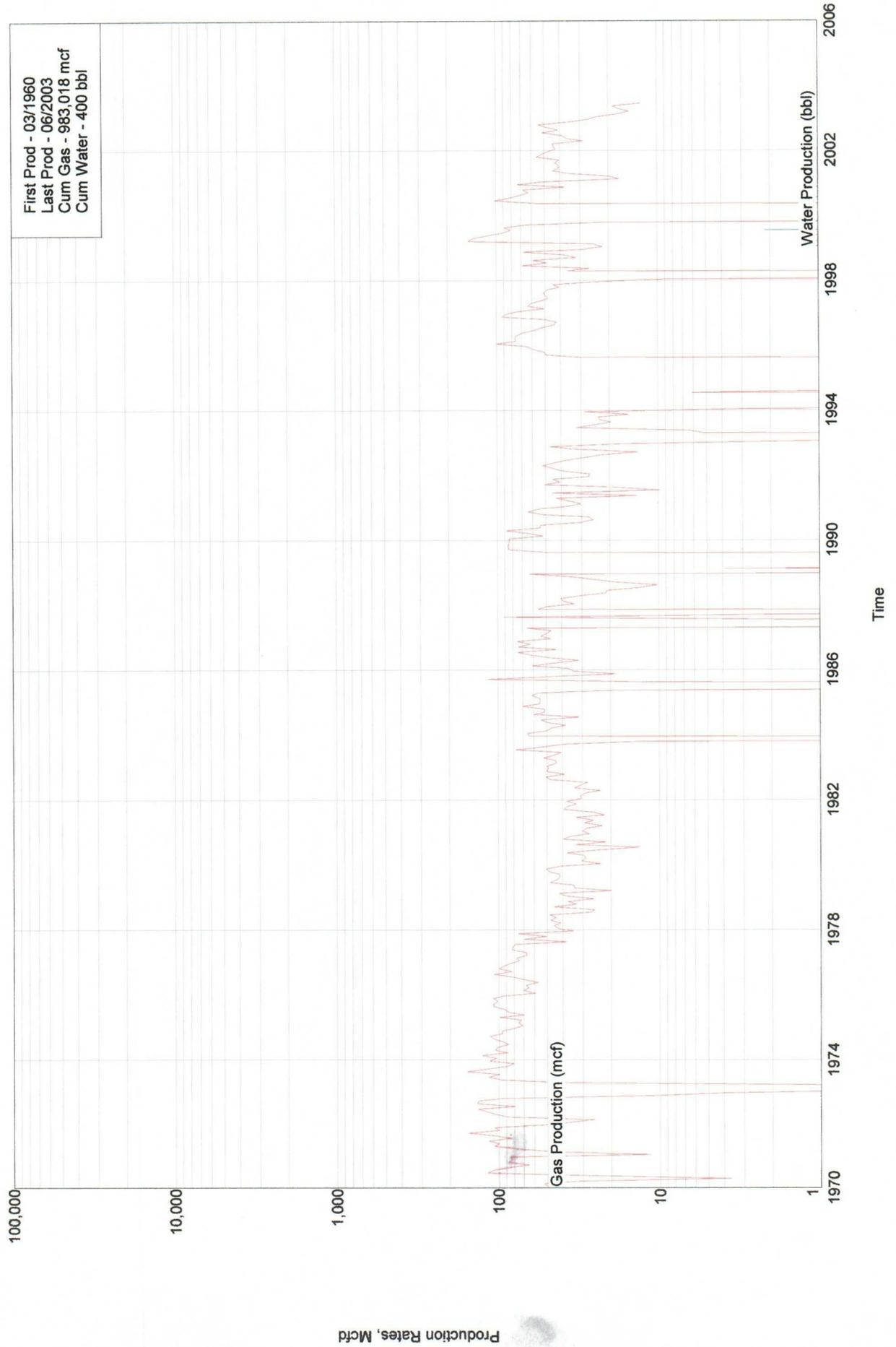
Lease Name: WRIGHT STATE COM  
County, State: SAN JUAN, NM  
Operator: ENERGEN RESOURCES CORPORATION  
Field: BASIN  
Reservoir: DAKOTA  
Location: 36 32N 13W SW NE SE

WRIGHT STATE COM #1E



Lease Name: WRIGHT STATE COM  
County, State: SAN JUAN, NM  
Operator: ENERGEN RESOURCES CORPORATION  
Field: BLANCO  
Reservoir: MESAVERDE  
Location: 36 32N 13W NW NE

WRIGHT STATE COM #1



## Wright State Com #1E

### Proposed Allocation Method

In accordance with DHC-1844 the allocation for the current wellbore configuration is Dakota-82% of the Gas; 100% of the oil, Gallup-18% of the gas.

Currently, the well is producing 95 MCFD and 1 BOPD as a commingled Wildcat Gallup/Basin Dakota. It is anticipated that the Mesaverde will add 200 MCFD to the total flow stream.

Following 60 days of stabilized production from the Mesaverde pay add, use subtraction method as follows:

Total stream = X

Gallup/Dakota = 95 MCFD

Gallup/Dakota Allocation =  $95 / X$  as a percentage

Split allocation for GL/DK per previous approved rates

Mesaverde allocation =  $(X-95)/X$

Mesaverde oil allocation = 50%

Rates will be reported to NMOCD- Aztec for final allocation percentage determination