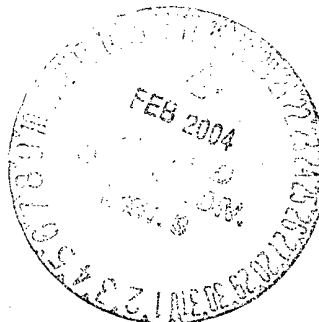


ENERGEN
RESOURCES

February 16, 2004

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

RE: Administrative Approval to Down-hole Commingle
Energen Resources Corporation
Jicarilla 152W #3
1050' FNL, 790' FWL, Sec. 7, T26N, R5W, N.M.P.M.
Rio Arriba County, New Mexico
API # 30-039-82255



Dear Ms. Wrotenbery,

Energen Resources Corporation requests Administrative Approval to add the Blanco Mesaverde and down-hole commingle it with the Tapacito Gallup (formerly South Blanco Tocito)/Basin Dakota in the subject well. The Gallup/Dakota was previously commingled in accordance with Case No. 7118, Order No. R-6570, on February 10, 1981. 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 with 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, BLM - Albuquerque

Application cancelled 2-19-04 by Will Jones

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

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

Form C-107A
Revised June 10, 2003

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

Jicarilla 152W

3

D - 7 - 26N - 5W

Rio Arriba

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 162928 Property Code 21949 API No. 30-039-82255 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blanco Mesaverde	Tapacito Gallup	Basin Dakota
Pool Code	72319	58090	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5874-6412'	6911-6924'	7390-7620'
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)	N/A	N/A	N/A
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1239 MMBTU	1185 MMBTU	1185 MMBTU
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: 2/16/04 Rates: 0.2/23/0	Date: 2/16/04 Rates: 0.55/52/0
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 21% 31%	Oil Gas 79% 69 %

ADDITIONAL DATA

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-82255	² Pool Code 72319/58090/71599	³ Pool Name Blanco Mesaverde/Tapacito Gallup/Basin Dakota
⁴ Property Code 21949	⁵ Property Name Jicarilla 152W	⁶ Well Number 3
⁷ OGRID No. 162928	⁸ Operator Name Energen Resources Corporation	⁹ Elevation 6606'

¹⁰ Surface Location

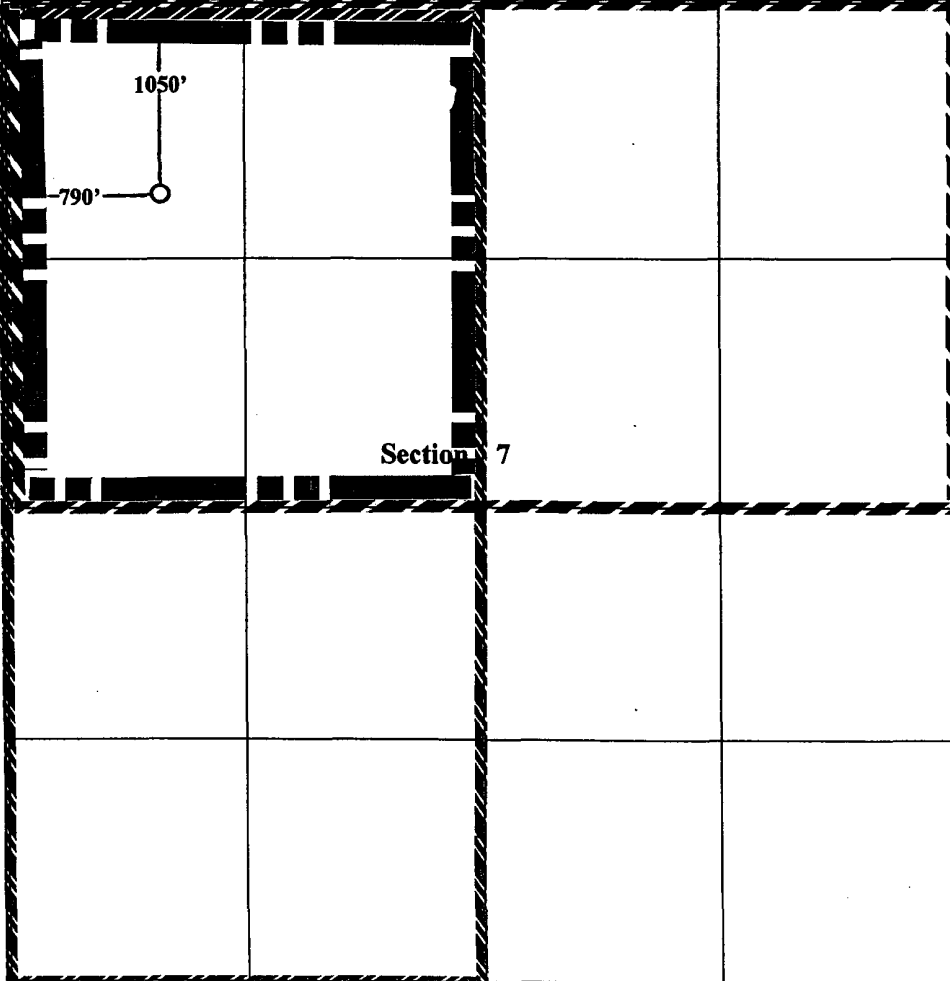
UL or lot no. D	Section 7	Township 26N	Range 5W	Lot Idn	Feet from the 1050	North/South line North	Feet from the 790	East/West line West	County Rio Arriba
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 320/160/319.82	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

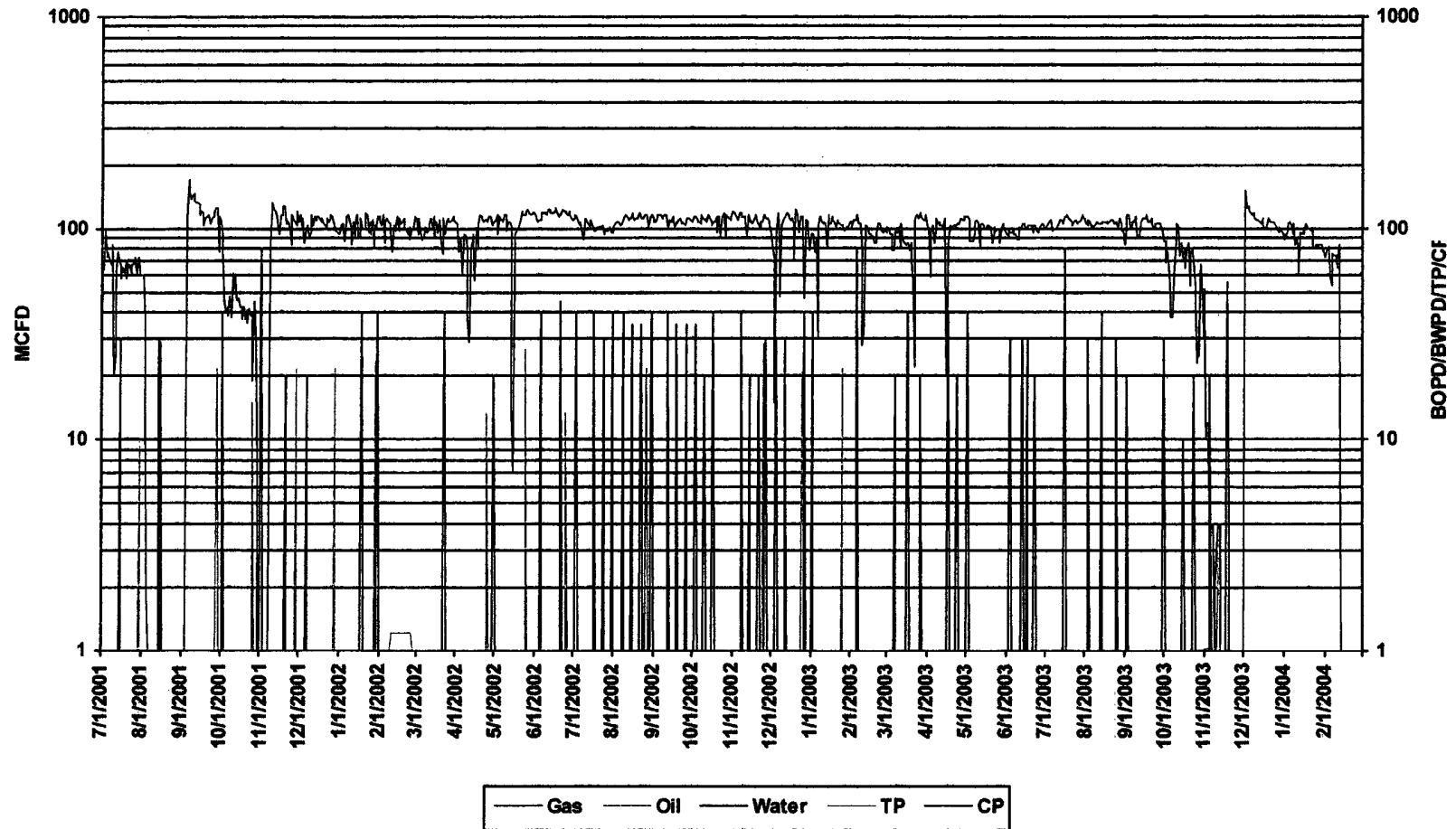
	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Charlie Donahue</i> Signature</p> <p>Charlie Donahue Printed Name</p> <p>District Engineer</p> <p>Title and E-mail Address</p> <p>February 16, 2004</p> <p>Date</p>
	<p>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.</p> <p>January 17, 1965</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Surveyed by Stephen H. Kinney</p> <p>803</p> <p>Certificate Number</p>

Facility Daily Production

Lease: JICARILLA 152 W 3

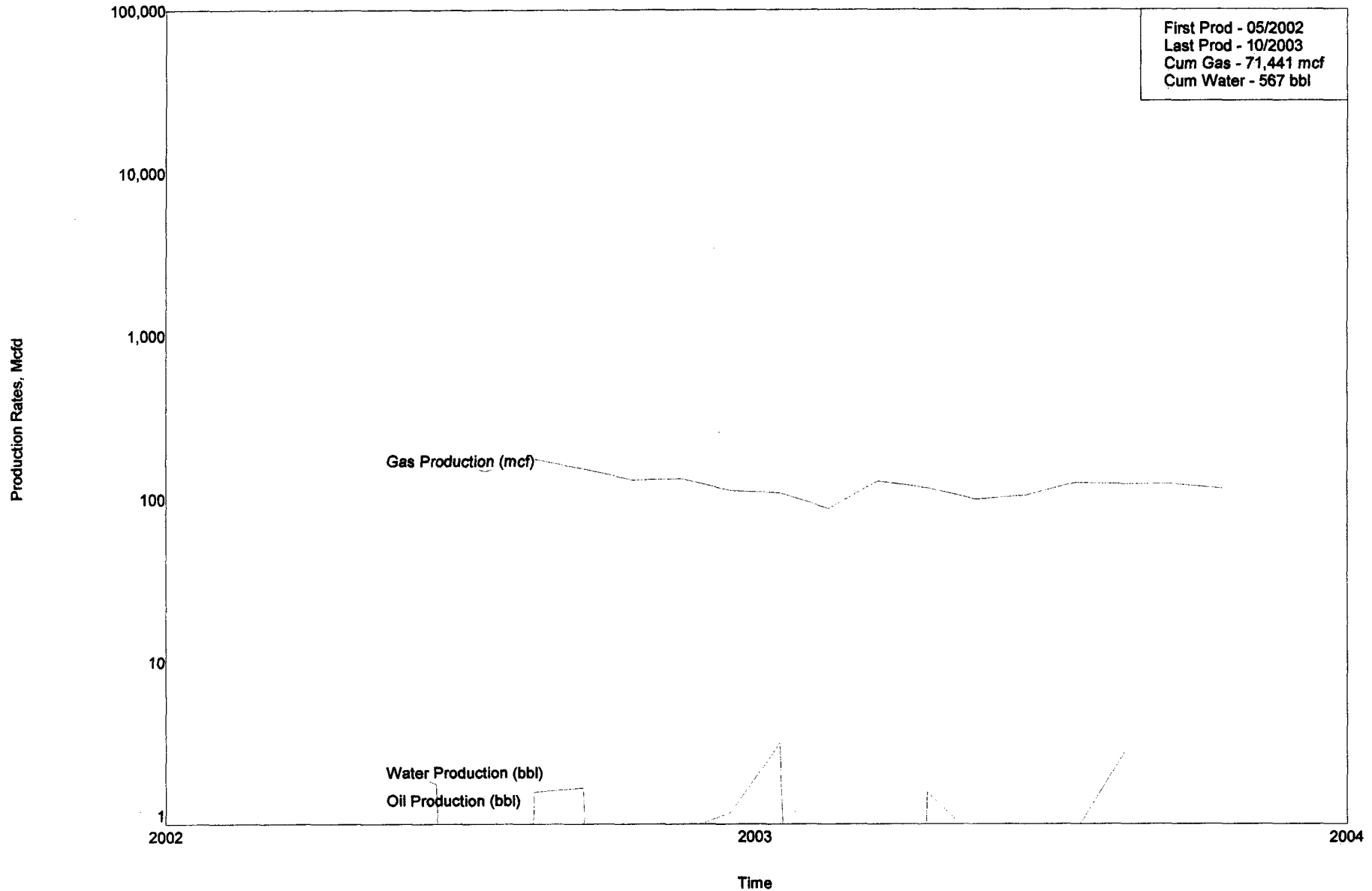
GALLUP / DAKOTA SUMMARY

Date Period: 7/1/2001 — 2/29/2004



Lease Name: JICARILLA 152 W
County, State: RIO ARBA, NM
Operator: ENERGEN RESOURCES CORPORATION
Field: BLANCO
Reservoir: MESAVERDE
Location: 7 28N 5W SW NE NE

JICARILLA 152 W #3E



Wright State Com #1E

Proposed Allocation Method

In accordance with Case No. 7118, Order No. R-6570 the allocation for the current wellbore configuration is Dakota-69% of the Gas; 79% of the Oil, Gallup-31% of the Gas; 21% of the Oil.

Currently, the well is producing 75 MCFD and 1 BOPD as a commingled Tapacito Gallup/Basin Dakota. It is anticipated that the Mesaverde will add 150 MCFD to the total flow stream.

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

Total Gas Stream = X

Gallup/Dakota = 75 MCFD

Gallup/Dakota Gas Allocation = $75 / X$ as a percentage

Split allocation for GL/DK per previous approved rates

Mesaverde Gas Allocation = $(X-75)/X$

Total Oil Stream = X

Gallup/Dakota = 0.75 BOPD

Gallup/Dakota Oil Allocation = $0.75 / X$ as a percentage

Split allocation for GL/DK per previous approved rates

Mesaverde Oil Allocation = $(X-1)/X$

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