

DATE IN 9-10-04	SUSPENSE	ENGINEER Jones	LOGGED IN 9-13-04	TYPE DHC	APP NO. DSCM0425731860
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
**- Engineering Bureau -**  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

**[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication**  
☐ NSL ☐ NSP ☐ 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

**[D] Other: Specify \_\_\_\_\_**

**[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] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

**[4] CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Print or Type Name \_\_\_\_\_

Signature \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
 e-mail Address



CDX Gas, LLC  
4801 N. Butler Avenue, Suite 2000  
Farmington, NM 87401  
Main: 505-326-3003  
Fax: 505-325-4007

RECEIVED

2. September. 2004

SEP 10 2004

Mr. William Jones  
New Mexico Oil Conservation Division  
Engineering Bureau  
1220 So. St. Francis Drive  
P.O. Box 6429  
Santa Fe, New Mexico 87505

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

RE: Application for Exception to Rule 303-A  
Downhole Commingling  
Jicarilla A #5  
API No. 30-039-11837  
Basin Dakota / Tapacito Gallup and Blanco Mesaverde Pools  
1750' FNL, 1450' FEL, Unit G Sec 20-T26N-R5W  
Rio Arriba County, New Mexico

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Dear Mr. Jones;

CDX RIO, LLC hereby request administrative approval to downhole commingle production from the Basin Dakota and Tapacito Pools with production from the Blanco Mesaverde Pools in the Jicarilla A #5.

The Jicarilla A #5 was originally completed as a dual producer in the Dakota and Gallup formations. In August 1995 approval was obtained to downhole commingle the Dakota and Gallup.

The Mesaverde is marginal in the area and not substantial enough to justify drilling a new well, but commingling with existing production through an existing wellbore can capture the reserves. Adding the Mesaverde production will have no detrimental effects and the fluids have no abnormal components that would prohibit commingling or promote the creation of emulsions or scale.

All royalty owners in the affected spacing units have identical interests therefore notification by certified mail is not required.

When the Mesaverde is completed it will be isolated and tested thru tubing. The subtraction method, combined with the existing allocation of the Gallup and Dakota, will be used to determine the new allocation for the commingled production. Existing Gallup – Dakota allocation is

Gallup	Oil 20%	Gas 15%
Dakota	Oil 80%	Gas 85%

Current production from well is 174 mcf/d and 2 bopd. Estimated production from the Mesaverde is 150 mcf/d and 1 bopd (using the analogy offset data from Jicarilla A #2, production curves attached). New allocations will then be

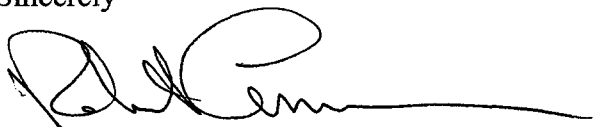
Mesaverde	Oil 34%	Gas 46%
Gallup	Oil 13%	Gas 46%
Dakota	Oil 53%	Gas 8%

Attached to aid in your review are plats showing the location of the well and offset wells in the same formation, a recent production plot for the commingled zones and historical plots for the Gallup and Dakota production, and form C-102 showing the location and spacing units.

This spacing unit is located on an Indian lease (Jicarilla Contract 110) and a copy of this application package will be sent to the BLM / Jicarilla Tribe requesting their consent.

Should have any question concerning this application please contact the undersigned at (505) 326-3003.

Sincerely



Robert Lemmons  
Drilling / Operations Engineer  
CDX GAS, LLC  
505-326-3003 ext 2820  
[rob.lemmons@cdxgas.com](mailto:rob.lemmons@cdxgas.com)

cc Mr. Steve Wells, BLM  
Rich Corcoran, CDX Land  
R. Johnston, CDX Op Mgr.  
Fred Vigil, Jicarilla Oil & Gas Admin.  
ConocoPhillips, Land

## 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 DepartmentForm 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

CDX RIO, LLC

4801 North butler Ave., Suite 2000, Farmington, NM 87401

Operator

Address

JICARILLA 'A'

#5

G - 20 - T26N - R5W

RIO ARRIBA

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 222374 Property Code \_\_\_\_\_ API No. 30-039-11874 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE		INTERMEDIATE ZONE		LOWER ZONE	
Pool Name	BLANCO MESAVERDE <i>Pro</i>		TAPACITO GALLUP <i>Pro</i>		BASIN DAKOTA <i>Pro</i>	
Pool Code	72319		58090		71599	
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4740 – 5000 5190 – 5340 (Proposed)		6756 – 6780 PERFORATIONS		7273 – 7497 PERFORATIONS	
Method of Production (Flowing or Artificial Lift)	Plunger Lift		Plunger Lift		Plunger Lift	
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)						
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1200 BTU		1200 BTU		1307 BTU	
Producing, Shut-In or New Zone	PRODUCING		NEW		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: Aug. 2004 26 mcf/d Rates: 0.4 bopd 0 bwpd		Date: Aug. 2004 148 mcf/d Rates: 1.6 bopd 0 bwpd	
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	Oil	Gas
	34 %	46 %	13 %	8 %	53 %	46 %

## ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?Yes ☒ No ☐  
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 ☐

NMOC 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 *Robert Lemmons* TITLE Operations Engineer DATE 9/2/04

TYPE OR PRINT NAME Robert Lemmons TELEPHONE NO. (505) 326-3003

E-MAIL ADDRESS rob.lemmons@cdxgas.com

District I  
1625 N. French Dr., Hobbs, NM 88240  
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1301 W. Grand Avenue, Artesia, NM 88210  
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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**

<sup>1</sup> API Number 30-039-18570	<sup>2</sup> Pool Code 71599 / 58090 / 72319	<sup>3</sup> Pool Name BASIN DAKOTA & TAPACITO GALLUP & BLANCO MESAVERDE
<sup>4</sup> Property Code	<sup>5</sup> Property Name JICARILLA 'A'	<sup>6</sup> Well Number 5
<sup>7</sup> OGRID No. 222374	<sup>8</sup> Operator Name CDX RIO, LLC	<sup>9</sup> Elevation 6630 GR

<sup>10</sup> **Surface Location**

UL or lot no. G	Section 20	Township 26N	Range 5W	Lot Idn	Feet from the 1750	North/South line NORTH	Feet from the 1450	East/West line EAST	County RIO ARriba
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<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
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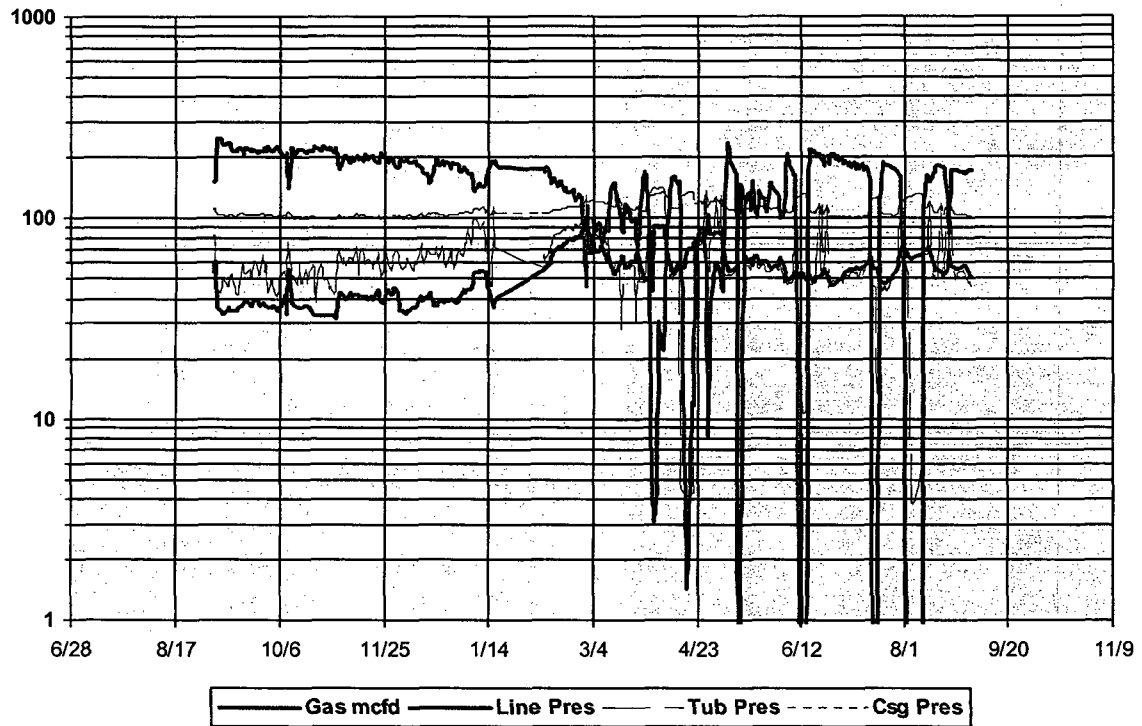
<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A  
NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<b>17 OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Printed Name Robert Lemmons Title and E-mail Address Operations Engineer, rob.lemmons@cdxgas.com Date 9/2/04
	<b>18 SURVEYOR CERTIFICATION</b> <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> March 24, 1961 Date of Survey Signature and Seal of Professional Surveyor: ON FILE Certificate Number 2463

# CURRENT PRODUCTION

'JICARILLA A 005-DK/GP' (9/3/03 - 9/2/04)

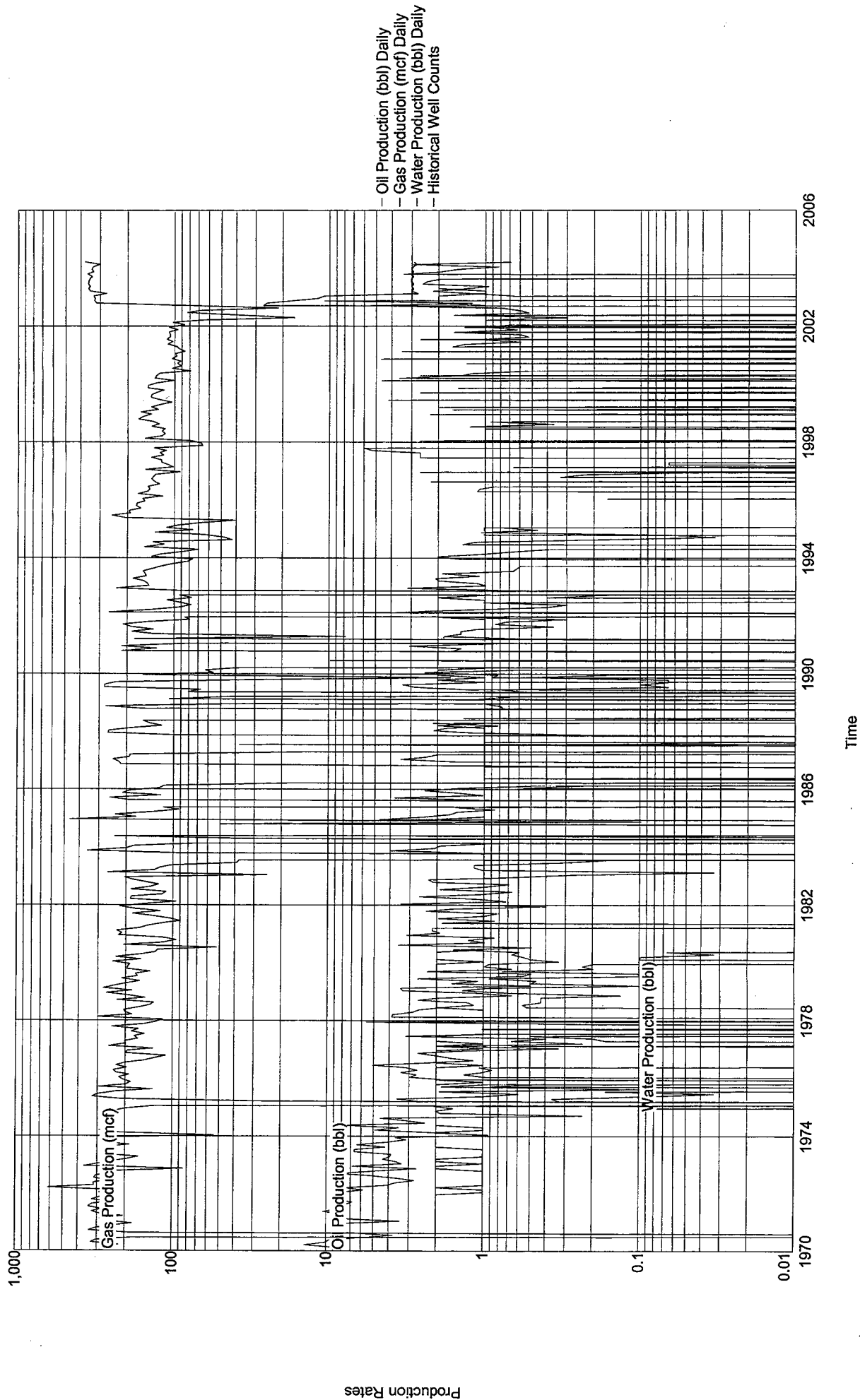




Lease Name: JICARILLA A  
County, State: RIO ARBA, NM  
Operator: MULTIPLE  
Field: MULTIPLE  
Reservoir: MULTIPLE  
Location:

OFFSET WELL  
JICARILLA A 2

JICARILLA A - MULTIPLE

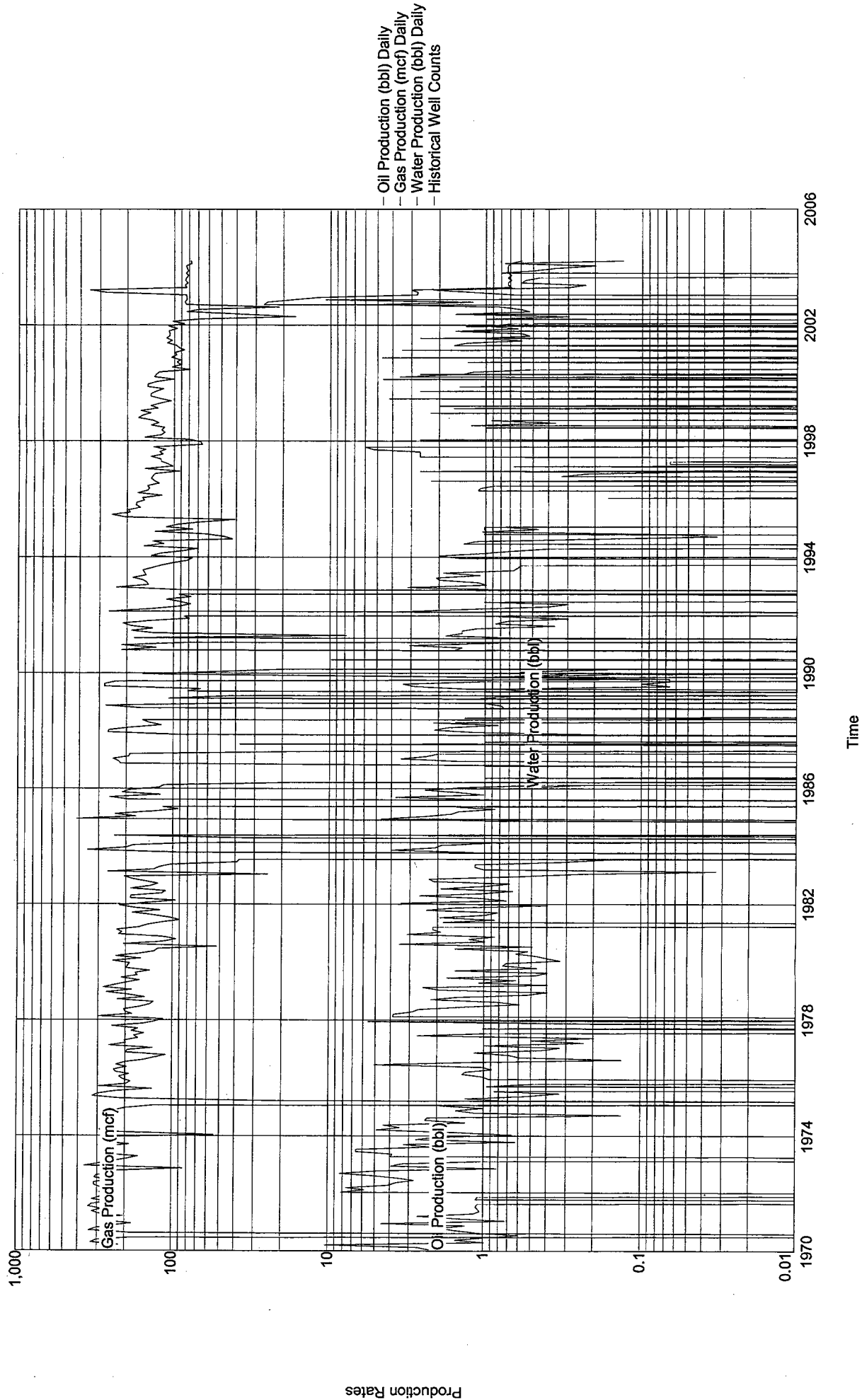




Lease Name: JICARILLA A  
 County, State: RIO ARBA, NM  
 Operator: CDX RIO LIMITED LIABILITY CORPORATIO  
 Field: BASIN  
 Reservoir: DAKOTA  
 Location: 18 26N 5W SE NW NE

Jic A2

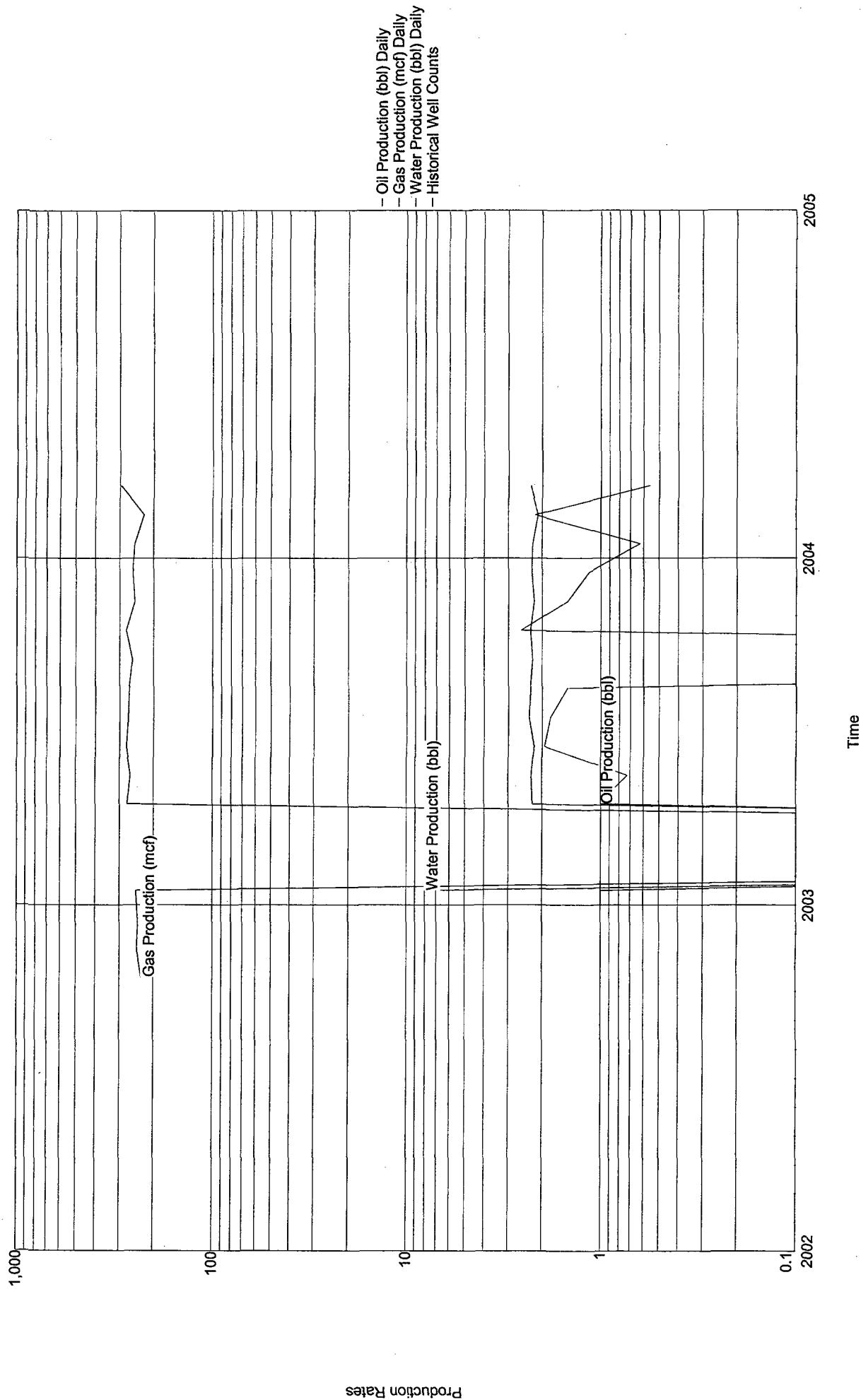
JICARILLA A - BASIN 2



Lease Name: JICARILLA A  
 County, State: RIO ARBA, NM  
 Operator: CDX RIO LIMITED LIABILITY CORPORATIO  
 Field: BLANCO  
 Reservoir: MESAVERDE  
 Location: 18 26N 5W SE NW NE

Jic A 2

JICARILLA A - BLANCO 2



Lease Name: JICARILLA A  
County, State: RIO ARBA, NM  
Operator: BP AMERICA PRODUCTION COMPANY  
Field: TAPACITO  
Reservoir: GALLUP  
Location: 18 26N 5W SE NW NE

Jic A 2

JICARILLA A - TAPACITO 2

