

PMAM1406128987

DATE IN 3/06/2014	BUSPENSE	ENGINEER PRG	LOGGED 3/10/2014	TYPE DHC 2740-B
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

Jicarilla 97 #6

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]

[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] and [C]

[B] Commingling - Storage - Measurement
 [X] 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] [X] 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 understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Anna Stotts

Print or Type Name

Signature

Regulatory Analyst

Title

3/11/14

Date

February 26, 2014

RECEIVED OGD
2014 MAR -6 P 3:04

Ms. Jami Bailey - Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Approval to Downhole Commingle
Energen Resources Corporation
Jicarilla 97 #6
1150' FNL, 790' FEL, Section 7, T26N, R03W
Rio Arriba County, New Mexico

Dear Ms. Bailey:

Energen Resources Corporation requests approval to downhole commingle the Tapacitos Pictured Cliffs, Blanco Mesaverde, Wild Horse Gallup and Basin Dakota pools in the subject well. Due to the liquid loading problems commingling with plunger lift is the most economical method to recover gas from all zones in the subject well.

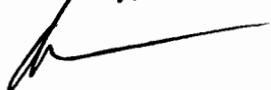
To comply with New Mexico Oil Conservation Rules, Energen Resources Corporation is submitting the following data for your approval of the proposed commingling.

1. C-107A - Application for Downhole Commingling
2. C-102 - Location plat showing each spacing unit and dedicated acreage
3. Offset Operator Ownership Plat
4. Allocation method

In accordance with New Mexico
Oil Conservation Division Rule 303C, Energen Resources will notify all Offset operators.

If additional information is needed, please contact me at 505-324-4163.

Sincerely,



Adam Klem
District Engineer

505-324-4140
Charles Donahue

Cdonahue@energen.com

xc:

NMOCD - Aztec District Office
BLM- FFO notified via Federal Sundry Notice 3160-5 and sent NMOCD form C-107A

Existing Orders ^{DHC} -2740
DHC-2740A

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

Santa Fe, New Mexico 87505

Establish Pre-Approved Pools
EXISTING WELLBORE
X Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

2010 Afton Place, Farmington, New Mexico 87401

Operator Jicarilla 97		#6	Address D Section 7, T26N, R3W		Rio Arriba		
Lease 162928	Well No. 22028	Unit Letter-Section-Township-Range 30-039-26261			X	County	
OGRID No.	Property Code	API No.	Lease Type:	Federal	State	Fee	

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE 1	INTERMEDIATE ZONE 2	LOWER ZONE
Pool Name	Tapacitos Pictured Cliffs	Blanco Mesaverde	Wild Horse Gallup	Basin Dakota
Pool Code	85920	72319	87360	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3646'-3670'	5307'-5992'	6829'-7434'	7822'-7840'
Method of Production (Flowing or Artificial Lift)	Artificial Lift - Plunger	Artificial Lift - Plunger	Artificial Lift - Plunger	Artificial Lift - Plunger
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)	Not completed	1,000 psi	1,000 psi	1,050 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	Not Completed	1,240 BTU	1,336 BTU	1,341 BTU
Producing, Shut-In or New Zone	New Zone	Producing	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: N/A Rates: N/A	Date: 02/2014 Rates: 0 BOPD/ 47.25 MCFPD/0.1 BOPD	Date: 02/2014 Rates: 0 BOPD/ 36.45 MCFPD/0.1 BOPD	Date: 02/2014 Rates: 3 BOPD/ 51.3 MCFPD/0.3 BOPD
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: 0% Gas: 35%	Oil: 0% Gas: 27%	Oil: 100% Gas: 38%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X 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	X
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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.

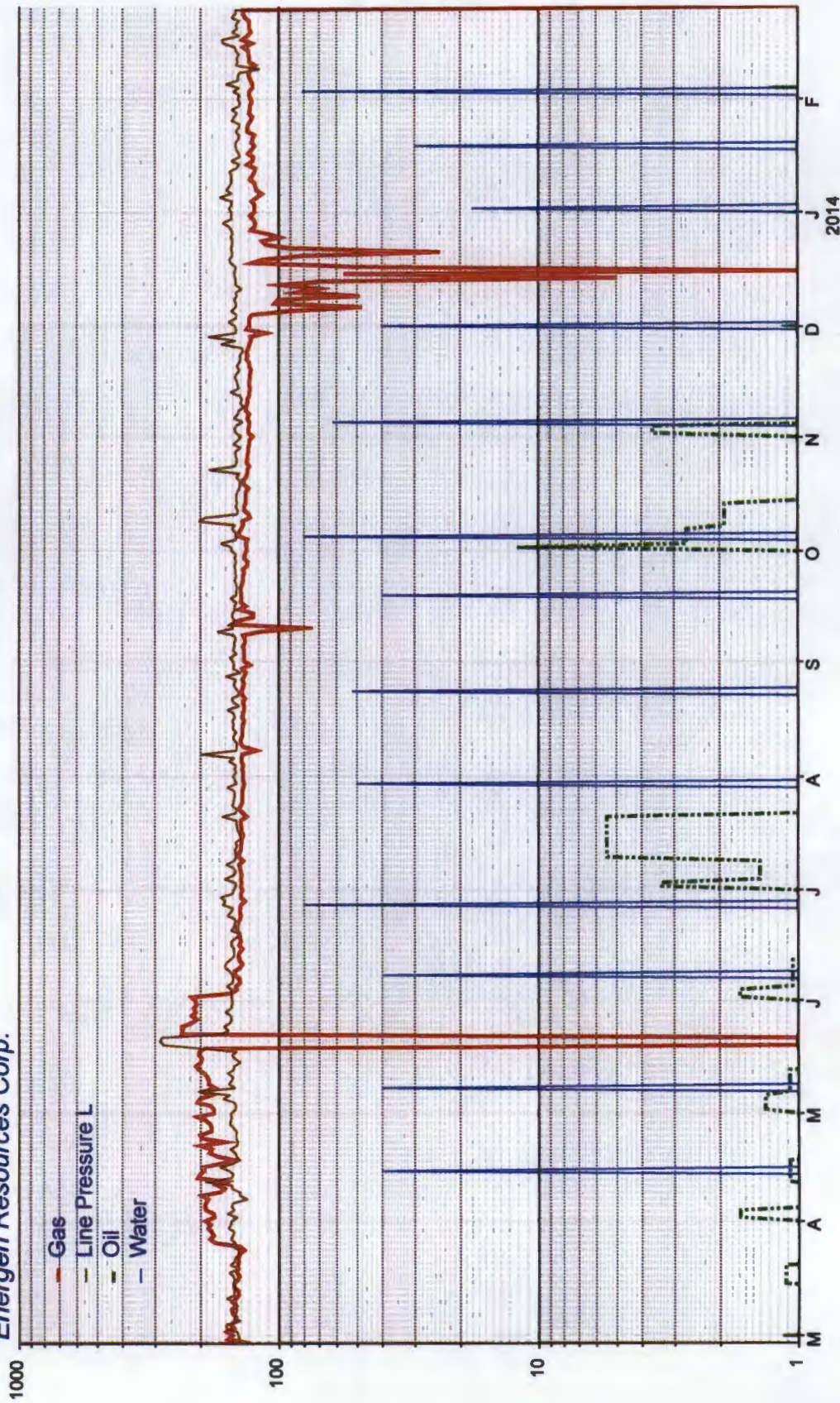
SIGNATURE TITLE District Engineer DATE 2/26/2014

TYPE OR PRINT NAME Adam Klem TELEPHONE NO. (505) 324-4163

E-MAIL ADDRESS aklem@energen.com

LEASE: JICARILLA 97 6

Energien Resources Corp.



Production for three zones
approved under DHC-2740-A

Explanation for only one production curve:

Energen only tracks the gas rate at the meter. The production is then allocated based on the reported allocation percentages.

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 October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-26261	² Pool Code 87360	³ Pool Name Wild Horse Gallup
⁴ Property Code 21939	⁵ Property Name Jicarilla 97	⁶ Well Number 6
⁷ OGRID No. 162928	⁸ Operator Name Energen Resources Corporation	⁹ Elevation 6921'

¹⁰ Surface Location

UL or lot no. D	Section 7	Township 26N	Range 3W	Lot Idn	Feet from the 1150	North/South line North	Feet from the 790	East/West line East	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
¹² Dedicated Acres 288.8	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.

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p> Signature </p> <p>2/25/2014 Date</p> <p>Adam Klem Printed Name</p>	
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><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>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>	
	<p>Certificate Number</p>	

District I
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1301 W. Grand Avenue, Artesia, NM 88210
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State of New Mexico
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1220 South St. Francis Dr.
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Revised October 12, 2005
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-26261	² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code 21939	⁵ Property Name Jicarilla 97	⁶ Well Number 6
⁷ OGRID No. 162928	⁸ Operator Name Energen Resources Corporation	⁹ Elevation 6921'

¹⁰ Surface Location

UL or lot no. D	Section 7	Township 26N	Range 3W	Lot Idn	Feet from the 1150	North/South line North	Feet from the 790	East/West line East	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
¹² Dedicated Acres 288.8	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.

	<div style="text-align: center; font-size: 2em; border: 1px solid black; padding: 10px; width: 50px; margin: 0 auto;">7</div>			¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> Signature </div> <div> 2/25/2014 Date </div> </div> <div style="margin-top: 10px;"> Adam Klem Printed Name </div>
				¹⁸ 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>
				Date of Survey Signature and Seal of Professional Surveyor:
				Certificate Number

District I
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
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Santa Fe, NM 87505

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Revised October 12, 2005
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-26261	² Pool Code 72319	³ Pool Name Blanco Mesaverde
⁴ Property Code 21939	⁵ Property Name Jicarilla 97	⁶ Well Number 6
⁷ OGRID No. 162928	⁸ Operator Name Energen Resources Corporation	⁹ Elevation 6921'


¹⁰ Surface Location

UL or lot no. D	Section 7	Township 26N	Range 3W	Lot Idn	Feet from the 1150	North/South line North	Feet from the 790	East/West line East	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
¹² Dedicated Acres 288.8	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.

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>  </p> <p> Signature _____ Date 2/25/2014 Adam Klem Printed Name </p>

District I
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Form C-102
Revised October 12, 2005
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-26261	² Pool Code 85920	³ Pool Name Tapacitos Pictured Cliffs
⁴ Property Code 21939	⁵ Property Name Jicarilla 97	⁶ Well Number 6
⁷ OGRID No. 162928	⁸ Operator Name Energen Resources Corporation	⁹ Elevation 6921'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	7	26N	3W		1150	North	790	East	Rio Arriba

¹¹ Bottom Hole Location If Different From Surface

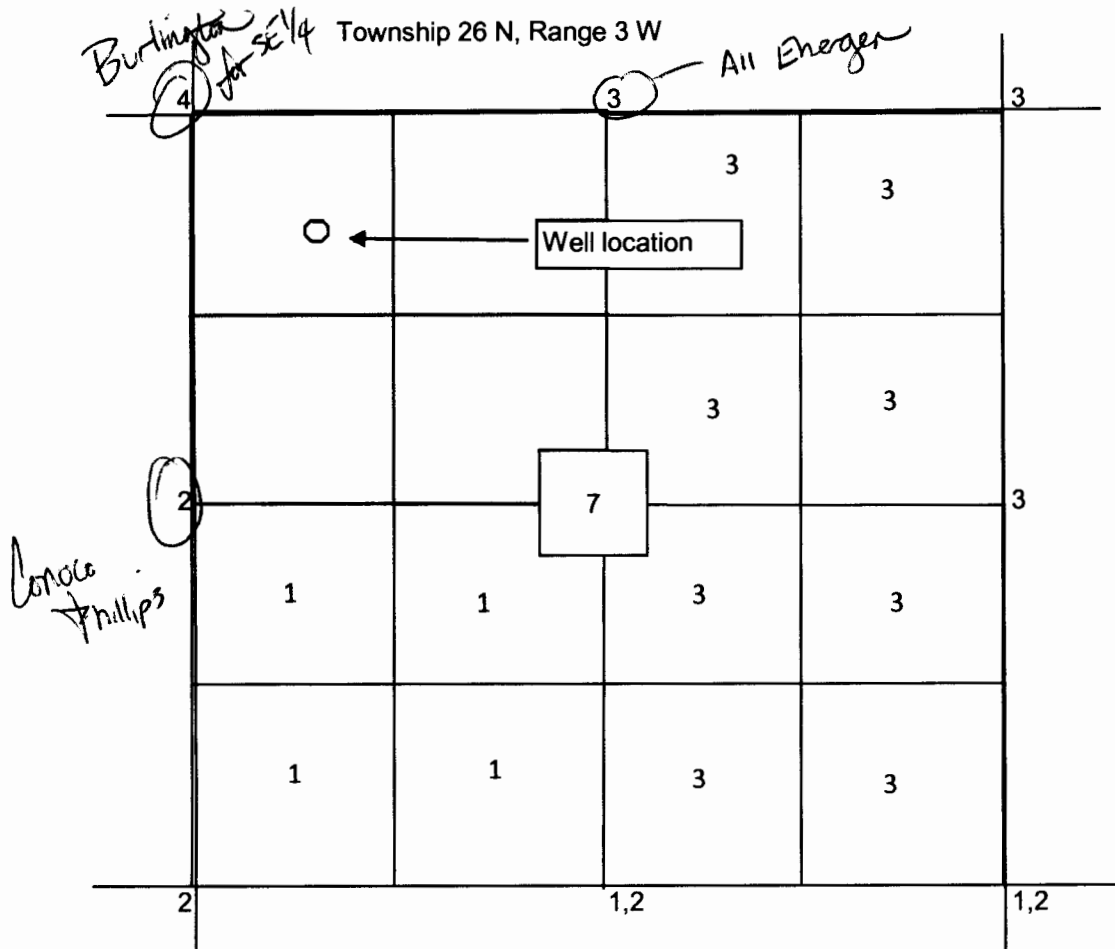
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 160	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</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <u>[Signature]</u> Date: <u>2/25/2014</u></p> <p>Adam Klem Printed Name</p>

Energen Resources Corp.
 Jicarilla 97 #6
 Offset Operator/ Ownership Plat
 Basin Dakota/Wild Horse Gallup/Blanco Mesaverde/PC?
 Downhole Commingling



- 1) Energen Resources
- 2) ConocoPhillips
- 3) Enevest
- 4) Burlington Resources

Allocation Method: Jicarilla 97 #6

Energen Resources plans on DHC the Basin Dakota, Wild Horse Gallup and Blanco Mesaverde with the Tapacitos Pictured Cliffs

South Blanco Pictured Cliff perforations: 3646'-3670'

Blanco Mesaverde: 5307'-5992'

Wild Horse Gallup: 6829'-7434'

Basin Dakota: 7822'-7840'

Current rates:

PC – not yet completed

MV - 0 BOPD/ 47.25 MCFPD/0.1 BWPD

GL – 0 BOPD/ 36.45 MCFPD/0.1 BWPD

DK - 3 BOPD/ 51.3 MCFPD/0.3 BWPD

Recommended Allocation: Subtraction method following 60 days of stabilized production. Rates reported to NMOCD – Aztec for final determination.

Offset Operators Contact List:

ENERVEST OPERATING LLC

1001 Fanin Street, Suite 800

Houston, TX 77002

CONOCOPHILLIPS COMPANY

3401 East 30th Street

Farmington, NM 87402

BURLINGTON RESOURCES OIL & GAS COMPANY LP

3401 East 30th Street

Farmington, NM 87402



March 11, 2014

CERTIFIED MAIL: 7012 0470 0002 1207 8094
Burlington Resources Oil & Gas Company LP
3401 East 30th Street
Farmington, NM 87402

RE: Application for Downhole Commingling
NMOCD Form C-107A
Jicarilla 97 #6
1150' FNL, 790' FEL, Section 7, T26N, R03W
Rio Arriba County, New Mexico

Dear Sir or Madam,

Enclosed please find a copy of the above NMOCD form C-107A and attachments that has been sent to the NMOCD for administrative approval. Should you not agree with this request, please notify the NMOCD within 20 days of the date of this letter.

Sincerely,

A handwritten signature in black ink that reads "Anna Stotts".

Anna Stotts
Regulatory Analyst



March 11, 2014

CERTIFIED MAIL: 7012 0470 0002 1208 2497
ConocoPhillips Company
3401 East 30th Street
Farmington, NM 87402

RE: Application for Downhole Commingling
NMOCD Form C-107A
Jicarilla 97 #6
1150' FNL, 790' FEL, Section 7, T26N, R03W
Rio Arriba County, New Mexico

Dear Sir or Madam,

Enclosed please find a copy of the above NMOCD form C-107A and attachments that has been sent to the NMOCD for administrative approval. Should you not agree with this request, please notify the NMOCD within 20 days of the date of this letter.

Sincerely,

A handwritten signature in black ink that reads "Anna Stotts". The signature is stylized with a large, looped "A" and a cursive "Stotts".

Anna Stotts
Regulatory Analyst



March 11, 2014

CERTIFIED MAIL: 7012 0470 0002 1208 2466
Enervest Operating LLC
1001 Fanin Street, Suite 800
Houston, TX 77002

RE: Application for Downhole Commingling
NMOCD Form C-107A
Jicarilla 97 #6
1150' FNL, 790' FEL, Section 7, T26N, R03W
Rio Arriba County, New Mexico

Dear Sir or Madam,

Enclosed please find a copy of the above NMOCD form C-107A and attachments that has been sent to the NMOCD for administrative approval. Should you not agree with this request, please notify the NMOCD within 20 days of the date of this letter.

Sincerely,

A handwritten signature in black ink that reads "Anna Stotts". The signature is fluid and cursive.

Anna Stotts
Regulatory Analyst