New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

John H. Bemis Cabinet Secretary-Designate

Brett F. Woods, Ph.D. Deputy Cabinet Secretary JAMI BAILEY Division Director Oil Conservation Divisio



Administrative Order DHC-1829-A Order Date: 1/25/2012 Application Reference Number: pTGW1202450679

ENERGEN RESOURCES CORPORATION 2010 AFTON PLACE, FARMINGTON, NM 87401

Attention: Adam Klem

JICARILLA 107 Well No. 005 API No: 30-039-22053 Unit F, Section 33, Township 26 North, Range 4 West, NMPM Rio Arriba County, New Mexico Pool: UNDES. BLANCO P. C. SOUTH (PRORATED GAS) Gas 72439 Names: BLANCO-MESAVERDE (PRORATED GAS) Gas 72319 LINDRITH GALLUP-DAKOTA,WEST Oil 39189

Reference is made to your recent application for an exception to 19.15.12.9A NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A NMAC, 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 or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

The production allocation percentages of oil and gas between these pools shall be supplied to the Division's Santa Fe office within 60 days following completion of this well or workover.

REMARKS: The operator shall notify the Division's district office upon implementation of commingling operations.

Oil Conservation Division * 1220 South St. Francis Drive * Santa Fe, New Mexico 87505 * Phone: (505) 476-3440 * Fax (505) 476-3462* http://www.emnrd.state.nm.us

Pursuant to 19.15.12.11B NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

JAMI-BAILEY

JAIVII-BAIL Director

JB/wvjj

cc: Oil Conservation Division – Aztec Bureau of Land Management - Farmington