

DATE IN 4/28/06	SUSPENSE 5-17-06	ENGINEER MEXE STOGNER	LOGGED IN 4/28/06	TYPE NSL	APP NO. p TD50611836163
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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



Jicarilla A #6F

### 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  
 X 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] 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] 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.

Richard Corcoran

*Richard Corcoran*

Print or Type Name

Signature

Land Manager

Title

4-24-06  
Date

Rich.Corcoran@cdxgas.com  
 email Address

# CDX RIO, LLC

2010 Afton Place  
Farmington, New Mexico 87401  
(505) 326-3003 – Fax (505) 325-4007

April 24, 2006

New Mexico Oil Conservation Division  
Attn: Michael E. Stogner  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION  
JICARILLA A #6F  
Section 24, T26N-R5W  
605' FNL & 1900' FWL  
RIO ARriba COUNTY, NEW MEXICO

5-16-06  
1:59 PM  
Richard Concoran left message  
checking on the status of  
this application.  
324-5417

30-039-29644

Dear Mr. Stogner:

CDX Rio, LLC hereby requests Administrative Approval for an Unorthodox Location of the captioned well proposed as a Blanco Mesaverde/Basin Dakota commingled well under the provisions of New Mexico Oil Conservation Division (NMOCD) Order R-10987-A, Basin Dakota pool and Order R-10987-B, Blanco Mesaverde pool.

The proposed location is within a standard 320 acre gas spacing unit. Due to rugged topography and archeological resources the location was moved three times at the direction of the Jicarilla Apache Tribe and the Bureau of Indian Affairs during repeated on-sites. At our original location, which was a legal site, cultural resources were found (660' FNL & 1,940' FWL), and the second location (1,300' FNL & 2,430' FWL) was on the edge of a Mesa. The topography would require extensive cut and fill to prepare, which the Jicarilla Oil and Gas Administration would not allow. Finally the last two locations (1,300' FNL & 2,430' FWL, and 605' FNL & 1900' FWL) were non-standard do to either Archeological or Topographic obstacles within the standard window preventing us from locating a well and /or road.

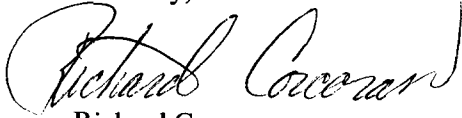
The proposed well would be the third Dakota and second Mesaverde well in the W/2 of Section 20-T26N-R5W. The Jicarilla A #6 (API #30-039-08137) located 900' FSL and 1,090' FWL of Section 20-T26N-R5W, was drilled to a total depth of 7,660', completed in the Dakota formation in December 24, 1965, and has cumulatively produced 1,044,097 MCFG through February of 2006. The Jicarilla A #6E (API #30-039-22898) located 1,760' FNL and 930' FWL of Section 20-T26N-R5W, was drilled to a total depth of 7,590', completed in the Dakota formation on August 24, 1982 and has produced 420,087 MCFG through February of 2006. Jicarilla A #9 (API #30-039-21643) located 980' FNL and 835' FWL of Section 20-T26N-R5W, was drilled to a total depth of 6,843', recompleted in the Mesaverde formation in October 20, 1980, and has cumulatively produced 184,032 MCFG through February of 2006.

CDX Rio, LLC is the operator of the W/2 of Section 17-T26N-R5W, being the direction for encroachment; which has the same ownership as the W/2 of said Section 20; consequently no other offsetting operators are affected. Further CDX Rio, LLC is the operator of ALL the adjoining spacing units in the Blanco Mesaverde and Basin Dakota pools.

Attached is a well location plat showing dedicated acreage (C-102), a topographic plat of the area, and a map showing all offsetting owners.

Your favorable consideration of this request would be appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Corcoran", written in a cursive style.

Richard Corcoran  
Land Manager  
RC/fd

C.C. Jicarilla Oil and Gas Administration, Attention Fred Vigil  
Bureau of Indian Affairs, Attention George Loretto

DISTRICT I  
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II  
811 South First, Artesia, N.M. 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

P.O. 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

<sup>1</sup> API Number 30-039-	<sup>2</sup> Pool Code 72319/71599	<sup>3</sup> Pool Name Blanco Mesaverde/Basin Dakota
<sup>4</sup> Property Code 33454	<sup>5</sup> Property Name JICARILLA A	<sup>6</sup> Well Number 6F
<sup>7</sup> GRID No. 222374	<sup>8</sup> Operator Name CDX RIO, LLC	<sup>9</sup> Elevation 6608

<sup>10</sup> Surface Location

UL or lot no. C	Section 20	Township 26 N	Range 5 W	Lot Idn	Feet from the 605	North/South line NORTH	Feet from the 1900	East/West line WEST	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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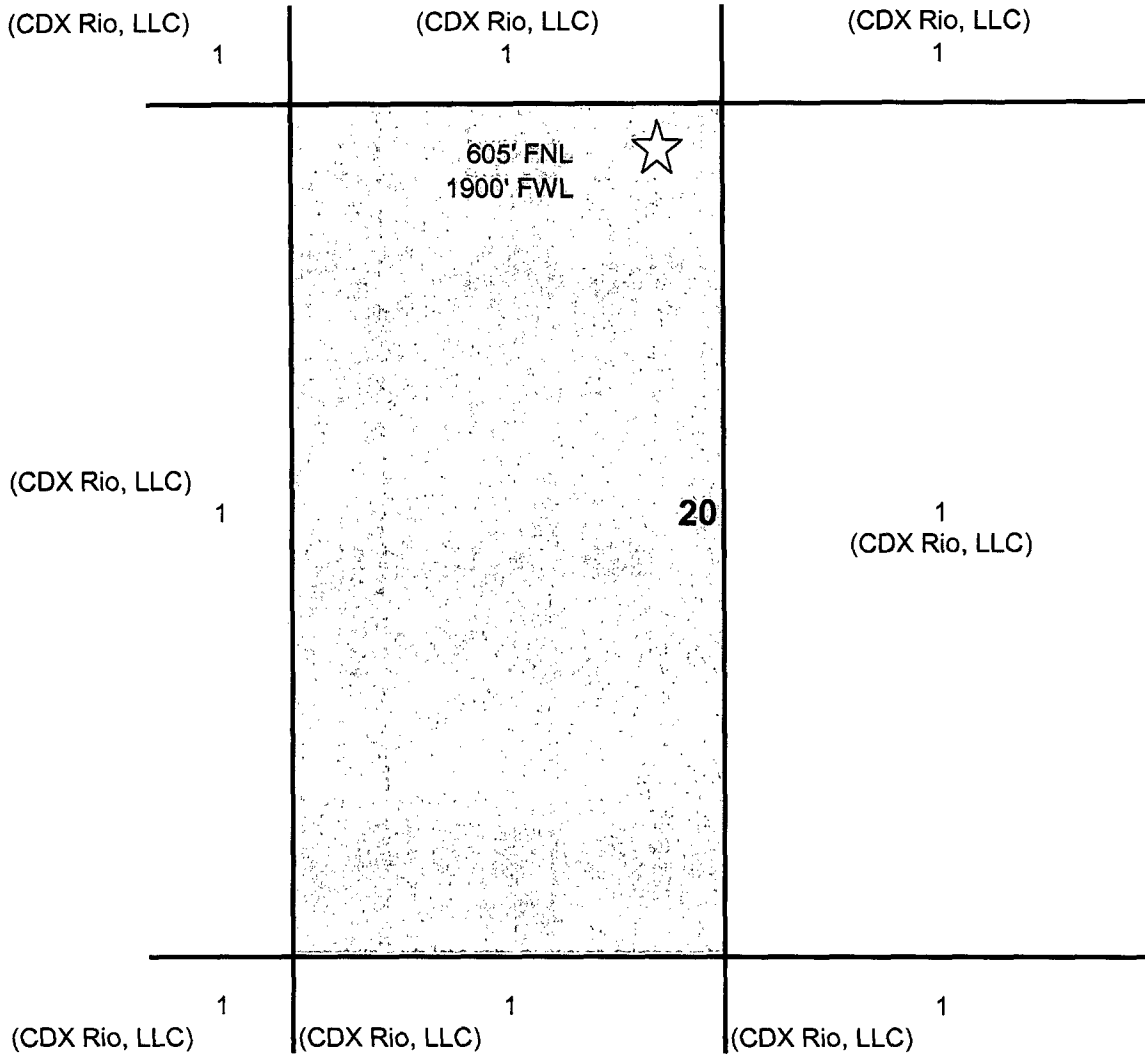
<sup>12</sup> Dedicated Arrows MV-W/320 DK-W/320	<sup>13</sup> Joint or Infill Y	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<sup>16</sup> N 89°53'33" E 5321.03' 1900' 605' SECTION 20 S 89°46'55" W	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  <i>Richard Corcoran</i> Signature Richard Corcoran Printed Name Land Manager Title 8-18-06 Date	<sup>18</sup> 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.  6/29/05 Date of Survey Signature of Professional Surveyor: ROBERT L. POUND NEW MEXICO 6846 PROFESSIONAL SURVEYOR Certificate Number
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Standard 640-acre Section

**CDX Rio, LLC**  
**Jicarilla A #6F**  
**OFFSET OPERATOR \ OWNER PLAT**  
**Mesaverde & Dakota Formation**  
**W/2 Section 20 Township 26 North - Range 5 West**  
**Rio Arriba County, NM**



Tract 1 CDX Rio, LLC



# VICINITY MAP

CDX RIO, LLC

Jicarilla A 6F

605' FNL & 1900' FWL

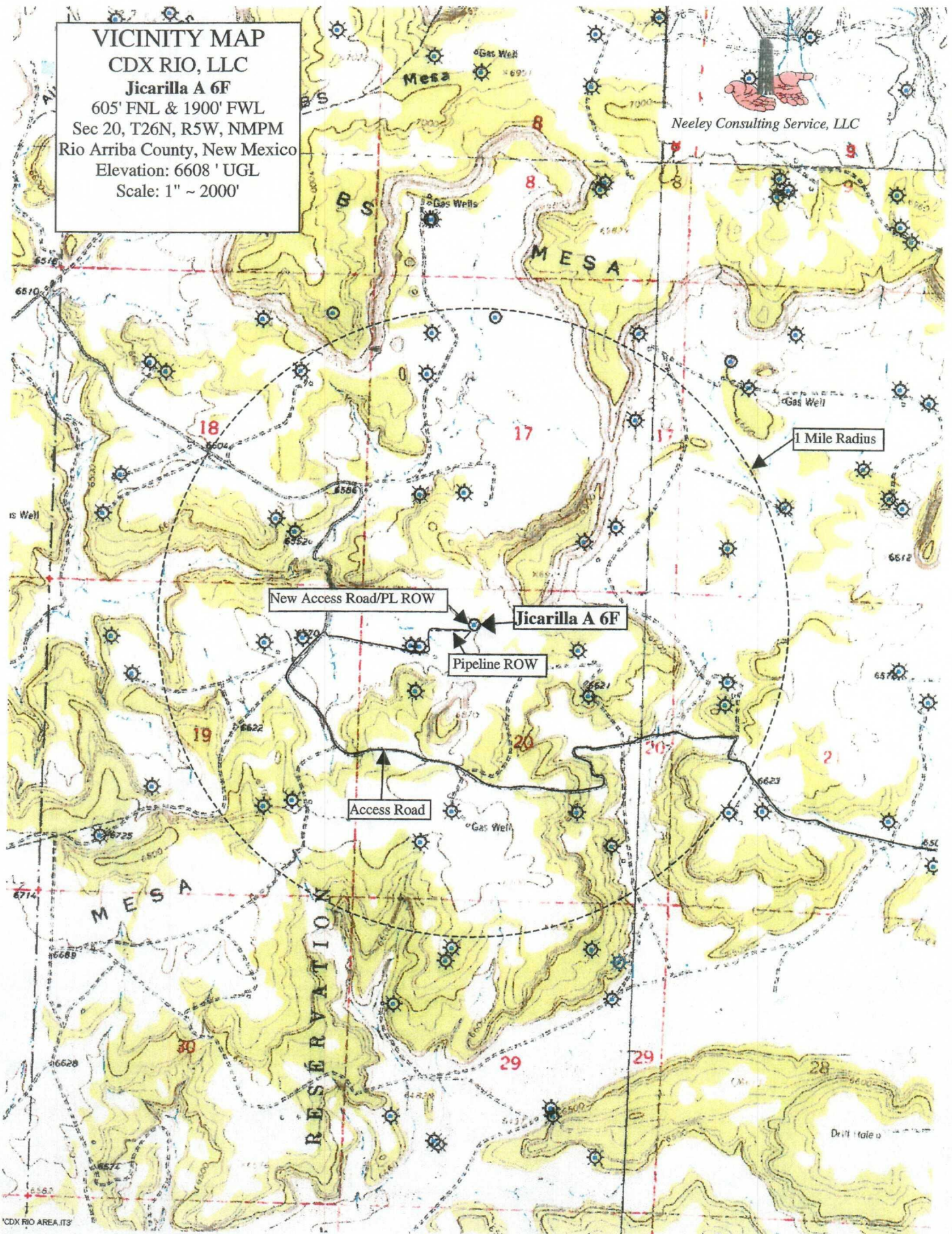
Sec 20, T26N, R5W, NMPM

Rio Arriba County, New Mexico

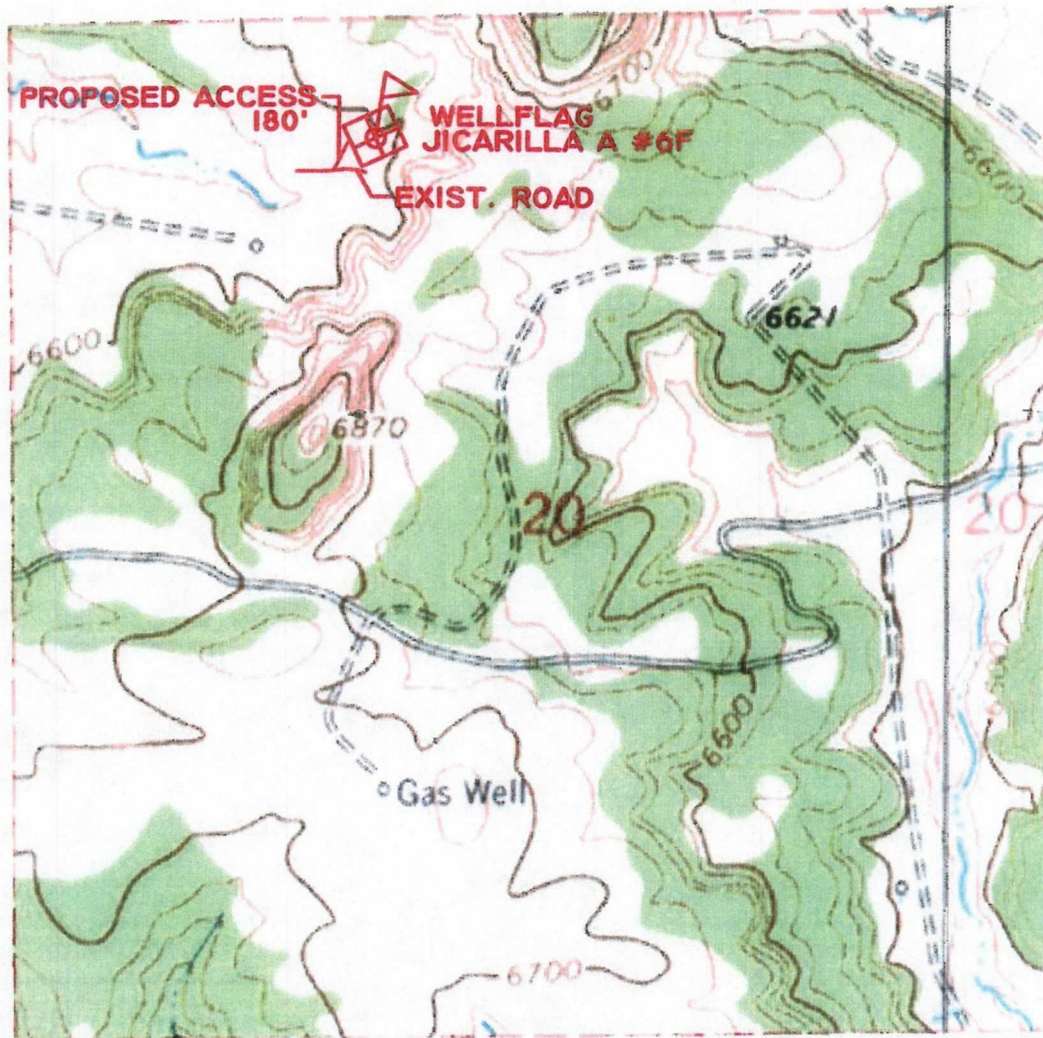
Elevation: 6608' UGL

Scale: 1" ~ 2000'

Neeley Consulting Service, LLC







0 500 1000  
SCALE: 1"=1000'

LEASE: JICARILLA A #6F

FOOTAGE: 605' FNL, 1900' FWL

SEC. 20 TWN. 26 N RNG. 5 W N.M.P.M.

LATITUDE: 36°28'40.9" LONGITUDE: 107°23'07.7"

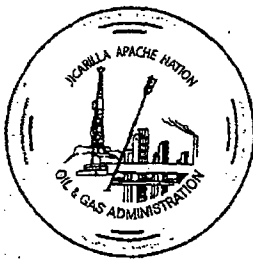
ELEVATION: 6608

**CDX RIO, LLC**  
FARMINGTON, NEW MEXICO

SURVEYED: 6/29/05	REV. DATE:	APP. BY R.P.
DRAWN BY: A.D.	DATE DRAWN: 7/13/05	FILE NAME: 5972T01

  
**UNITED**  
FIELD SERVICES INC.

P.O. BOX 3651  
FARMINGTON, NM 87499  
OFFICE: (505) 334-0408



## OIL & GAS ADMINISTRATION

**JICARILLA APACHE NATION**

P.O. Box 146

Dulce, New Mexico 87528

(505) 759-3485 / 759-1823

FAX: (505) 759-3881

February 9, 2006

Bureau of Indian Affairs-Jicarilla Agency  
Attention: Sherryl Vigil  
P.O. Box 167  
Dulce, New Mexico 87528

Dear Ms. Vigil:

This letter is in response to an on-site conducted for CDX on August 3, 2005 at J-4/J-6 and Highway 537 Counting Pens meeting at 9:00 a.m. Our letter includes comments made by the participants for mitigation of the request for Application for Permit to Drill (APD).

The following individuals were present for the onsite and are listed below:

Charles Neeley-CDX  
Adelaide Paiz-Historic Preservation  
Gifford Velarde-Velarde Energy  
Louis Paul Chavez-Williams Field Service  
Chester Deal-CDX, Rio  
George M. Loretto Sr.-BIA-Realty  
Annette L. Torivio-Oil & Gas Administration  
Dixon Sandoval-EPO  
Greg Armstrong-H & L Permitting  
Rich Corcoran-CDX  
Robert L. Pounds-United Field Services, Inc.  
Ronald Busby-Patriot Contractors  
Hershal Notsinneh-BIA Forestry

A total of five (5) sites were proposed with all being reviewed, and with general stipulations to include:

1. The well pad shall be properly identified with a sign which will include:
  - a. Company Name
  - b. Well Name
  - c. Legal Description
  - d. Lease Number
  - e. API Number
  - f. County

• *Development For Prosperity* •



2. 15-mil liner on reserve pit.
3. Construct Blow Pit to minimize overflow spray, i.e., higher walls.
4. Fences will be maintained around three sides of the Reserve Pit and the forth completed at the removal of the drilling rig.
5. The locations will require that the topsoil be stockpiled for re-contouring and restoring the surface after the reserve pit is closed.
6. Production equipment will be painted the propose color according to the terrain to blend in with the surrounding environment.
7. **Reseed with a suitable south/north mix, containing native species as well as quick growing grass varieties, Mountain Mahogany seed; contact the Environmental Protection Office (EPO) for a suitable recommendation.**
8. Best Management Practice (BMP) for drainage and access road design.
9. Reserve pits shall be reclaimed within 90 days, sooner if possible.
10. No fluids, i.e., diesel, motor oil, wastewater, will be disposed of on the Jicarilla Apache Reservation.
11. All Operators and their subcontractors shall have an Operating Permit issued by the Oil and Gas Administration. In addition all employees are required to have in their possession a valid Work Permit, issued by the Department of Labor-Jicarilla Apache Nation, contact number (505) 759-1705.
12. Wood is to be cut to 16" lengths and hauled to Dulce, Public Service yard.

Comments for the five (5) individual well locations and their legal descriptions:

**Jicarilla A #2F** staked at 540 feet from the north line, staked at 665 feet from the east line in Section 18, Township 26 North, Range 5 West, NMPM. Minimal impact to culture resources, medicinal plants in project area. Total distribution for pipeline right of way 3538.40 feet on 45 feet width damage will be assessed. Assess road to come in from the northeast. Juniper, Pinon, sage and snakeweed in a sand clay soil, near a sandstone ridge. Move the location 150 feet from the ledge and wildlife concerns.

**Jicarilla 151 Well#7G** staked at 1470 feet from the north line, staked at 2305 feet from the west line in Section 4, Township 26 North, Range 5 West, NMPM. Minimal impact to culture resources, medicinal plants in project area. Total disturbance of pipeline 201.29 feet with a 45 feet of right of way. There is no evidence of any archaeology sites. The company was given the 50 feet buffer zone around the pad. This will be assessing for damages.

**Jicarilla A 110 Well# 6F** staked at 605 feet from the north line, staked at 1900 feet from the west line in Section 20, Township 26 North, Range 5 West, NMPM. This location is approved with the new pipeline plat and providing the archaeology site is clear.

Jicarilla 102 Well#8F staked at 430 feet from the south line, staked at 965 feet from the east line in Section 3, Township 26 North, Range 4 West, NMPM. Minimal impact to culture resources, medicinal plants in project area. Total disturbance of pipeline 169.0 feet with a 45 feet of right of way 80 feet of access road. There will be no trees cut in this vicinity by the company. Prepare proper drainage to control erosion.

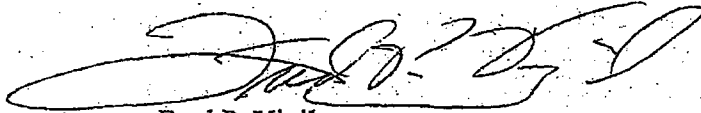
Jicarilla 108 C Well#8G staked at 895 feet from the north line, staked at 1555 feet from the west line in Section 13, Township 26 North, Range 4 West, NMPM. **This location will be put on hold until our office receives the new plats and archaeology clearance from the company or if the company decides to relocate.**

According to the Bureau of Land Management Onshore Order #7 Section IIIA, Disposal of Produced Water, should the operator/subcontractor have any questions, please contact the Petroleum Engineer Technician (PET) at the Jicarilla Oil & Gas Administration at (505) 759-3485 for more information. Title 18 of the Jicarilla Apache Nation's Oil & Gas under Section 6, Environmental Protection Standards.

Approval is recommended for the four (4) proposed well locations. Well locations by there name Jicarilla A #2F, Jicarilla 151 Well#7G, Jicarilla A 110 Well #6F and Jicarilla 102 Well#8F. Jicarilla 108 C Well#8G will be hold until all information is received.

Should you have any questions please contact Fred P. Vigil, Oil & Gas Administrator at (505) 759-3485 ext. 31. Thank you.

Sincerely,



Fred P. Vigil  
Administrator

XC: Enclosures  
Mr. Joe Muniz, Executive Director-Natural Resources  
Mr. Levi Pesata, President