

11/29/99	12/20/99	DC	KV	DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -

2545

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] 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

NOV 29 1999

[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] 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 further verify that all applicable API Numbers are included. 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

GARY BRINK  
Print or Type Name

[Signature]  
Signature

[Signature]  
Title

11/22/99  
Date

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
811 S. 1st Street, Artesia, NM 88210-2834  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-102  
Revised October 18, 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 30-045-24105	<sup>2</sup> Pool Code 82329/71599	<sup>3</sup> Pool Name Otero Chacra/Basin Dakota
<sup>4</sup> Property Code 21434	<sup>5</sup> Property Name Zachry	<sup>6</sup> Well Number 18E
<sup>7</sup> OGRID No. 162928	<sup>8</sup> Operator Name ENERGEN RESOURCES CORPORATION	<sup>9</sup> Elevation 5594

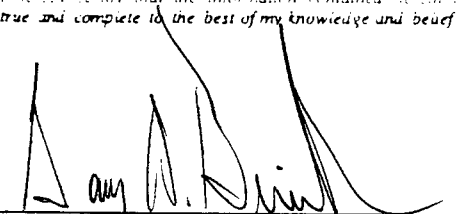
<sup>10</sup> Surface Location									
UL or lot no. 0	Section 11	Township T28N	Range R10W	Lot. Idn	Feet from the 960	North-South Line South	Feet from the 1455	East/West line East	County San Juan

<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

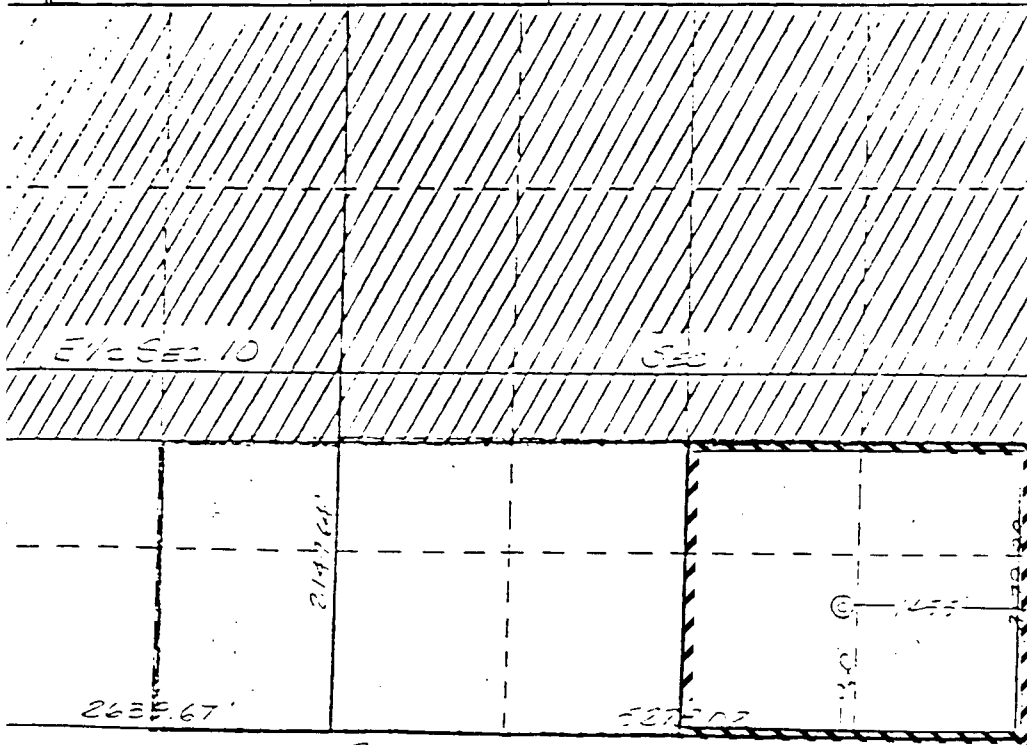
<sup>12</sup> Dedicated Acres 131.63/327.29	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

Dedicated Acreage: 327.29 Ac. E/2 E/2 Section 10 and all of Sec.11 Township 28-N, Range 10-W, N.M.P.M. San Juan Co. N.M.
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<b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature Gary W. Brink
Printed Name Production Superintendent
Title 11/19/99
Date

<b>SURVEYOR CERTIFICATION</b> 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.
July 5, 1979
Date of Survey
Signature and Seal of Professional Surveyor
Reissue of Original Survey By James Leese
Certificate Number



## DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

## DISTRICT II

811 S. First St., Artesia, NM 88210-2835

## DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico  
Energy, Minerals and Natural Resources Department

## OIL CONSERVATION DIVISION

2040 S. Pacheco  
Santa Fe, New Mexico 875054-6429Form C-107-A  
New 3-12-96

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

## APPLICATION FOR DOWNHOLE COMMINGLING

ENERGEN RESOURCES CORPORATION

2198 Bloomfield Highway, Farmington, NM 87401

Operator

Address

Zachry

18E

Unit 0 Sec. 11 T28N

R10W

San Juan County, NM

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

OGRID NO. 162928

Property Code 21434

API NO. 30-045-24105

Spacing Unit Lease Types: (check 1 or more)

Federal ☒ State ☐ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Otero Chacra 82329		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	2801 - 2910'		6196 - 6368'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure	a. (Current) 320 Calc.	a.	a. 537 Calc.
Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	b. (Original) 993 Calc.	b.	b. 983 Calc.
6. Oil Gravity ( <sup>o</sup> API) or Gas BTU Content)	1203 BTU		1309 BTU
7. Producing or Shut-In?	Producing		Shut In
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give 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: Rates:	Date: 4/6/99 Rates: .145/.2
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 11/12/99 Rates: 0/48/0	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 0 % Gas: 52 %	Oil: % Gas: %	Oil: 100 % Gas: 48 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

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

☒ Yes ☐ No

If not, have all working, overriding, and royalty interests been notified by certified mail?

☐ Yes ☐ No

Have all offset operators been given written notice of the proposed downhole commingling?

☒ Yes ☐ No11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other?

☒ Yes ☐ No

13. Will the value of production be decreased by commingling?

☐ Yes ☒ No (If Yes, attach explanation)14. If this well in on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions:

ORDER NO(S). \_\_\_\_\_

## 16. 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 all offset operators.
- \* Notification list of working, overriding, and royalty interests for uncommon interest cases.
- \* Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

TITLE Prod. Superintendent DATE 11/19/99

TYPE OR PRINT NAME Gary W. Brink

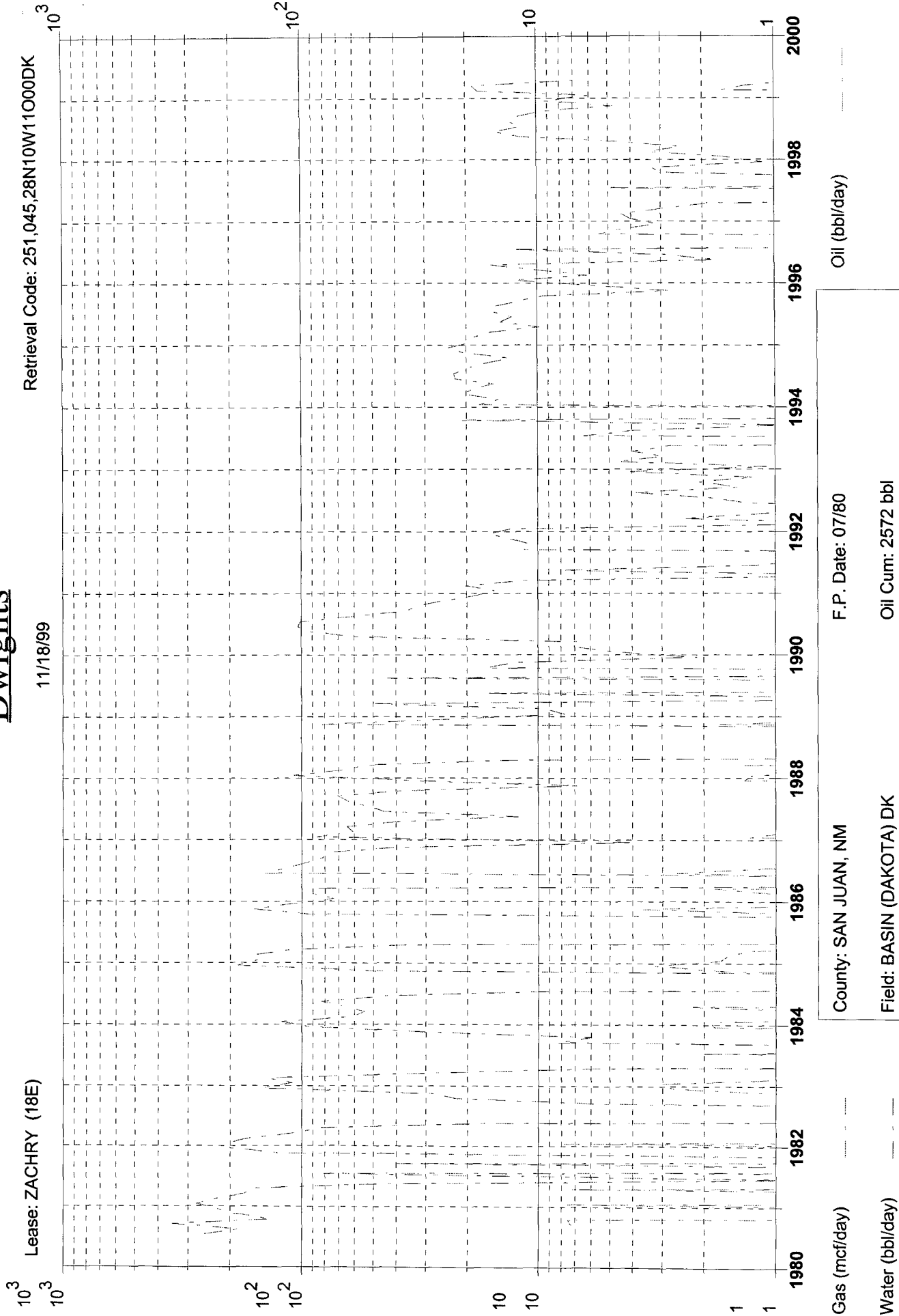
TELEPHONE NO. ( 505 ) 325-6800

# Dwights

Lease: ZACHRY (18E)

11/18/99

Retrieval Code: 251,045,28N10W11O00DK



Gas (mcf/day)

Water (bbl/day)

Oil (bbl/day)

County: SAN JUAN, NM

F.P. Date: 07/80

Field: BASIN (DAKOTA) DK

Oil Cum: 2572 bbl

Reservoir: DAKOTA

Gas Cum: 262.5 mmcf

Operator: ENERGEN RESOURCES

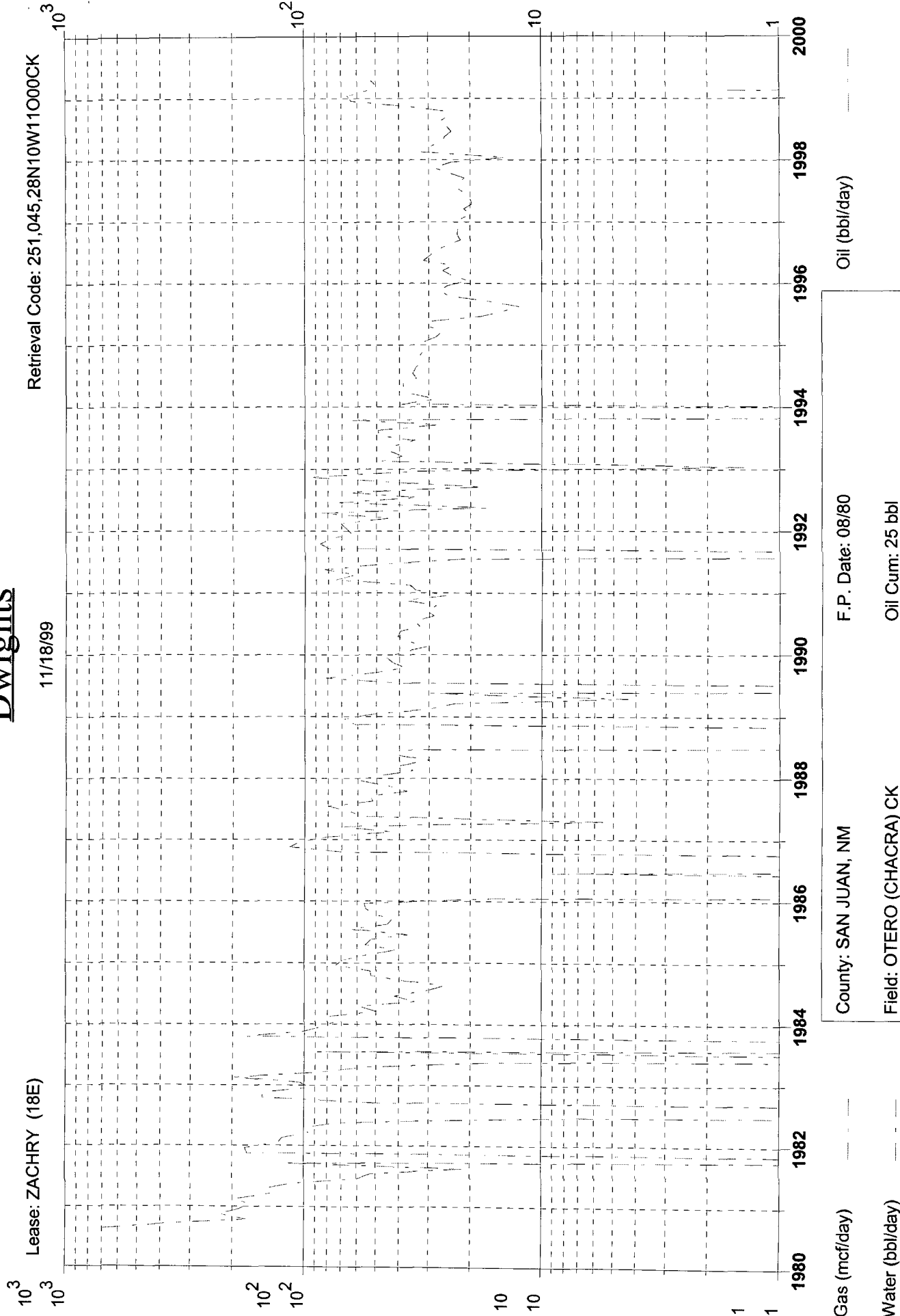
Location: 11O 28N 10W

# Dwights

11/18/99

Lease: ZACHRY (18E)

Retrieval Code: 251,045,28N10W11O00CK



County: SAN JUAN, NM	F.P. Date: 08/80
Field: OTERO (CHACRA) CK	Oil Cum: 25 bbl
Reservoir: CHACRA	Gas Cum: 360.5 mmcf
Operator: ENERGEN RESOURCES	Location: 11O 28N 10W

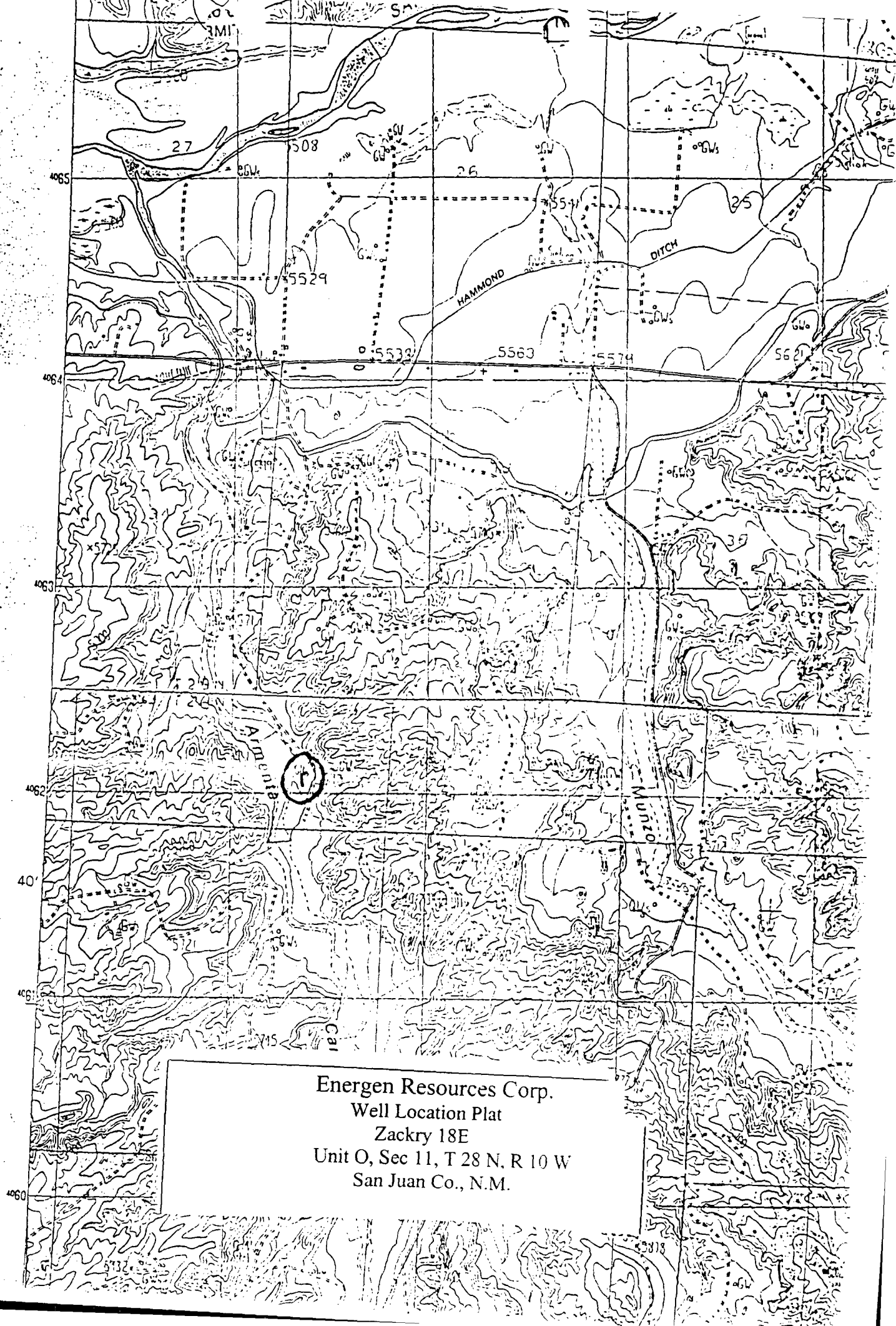
**Energen Resources Corp.**

Zachry #18E  
Offset Operator / Ownership Plat  
Otero Chacra/ Basin Dakota  
Downhole Commingling

Township 28 N, Range 10 W

<b>33</b> Burlington Resources	<b>34</b> Burlington Resources Roddy Production Co.	<b>35</b> Burlington Resources
<b>10</b> Burlington Resources	<b>11</b> Zackery 18E ●	<b>12</b> Burlington Resources
<b>15</b> Burlington Resources	<b>14</b> Burlington Resources	<b>13</b> Burlington Resources

- 1) Burlington Resources  
P.O. Box 4289  
Farmington, N.M. 87499-4289  
2) Roddy Production Co., Inc.  
P.O. Box 2221  
Farmington, N.M. 87499-2221



Energren Resources Corp.  
Well Location Plat  
Zackry 18E  
Unit O, Sec 11, T 28 N, R 10 W  
San Juan Co., N.M.



November 19, 1999

Ms. Lori Wrotenberry  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

*WJW*  
*(915) 687-1796*  
*midland Fax #*

RE: Administrative Approval to Downhole Commingle  
Energen Resources Corporation  
Zachry #18E  
960' FSL, 1455' FEL, Sec. 11, T28N, R10W, N.M.P.M.  
San Juan County, New Mexico

Dear Ms. Wrotenberry:

Energen Resources Corporation requests administrative approval for downhole commingling the Otero Chacra and Basin Dakota pools in the subject well. The well is currently producing as a Chacra/Dakota dual completion. The Dakota has experienced liquid loading problems and it is felt downhole commingling will eliminate excessive swabbing expenditures to keep the zone unloaded and producing.

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

1. For C107A - Application for Downhole Commingling
2. C-102 - Location plat showing each spacing unit and dedicated acreage
3. Production curves for both the Chacra and Dakota
4. Offset operator plat
5. Well location plat.

In accordance to New Mexico Oil Conservation Division Rule 303C, all offset operators are being notified of this application by certified mail. As an offset operator, if you have no objection to this application, you do not have to respond to this notification.

If additional information is needed, please contact me.

Sincerely,

Gary W. Brink  
Production Superintendent

GWB/mt

cc: NMOCD - Aztec, BLM-Farmington, Offset operators  
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