



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

AMENDED ADMINISTRATIVE ORDER DHC-2740

Energen Resources Corporation
2198 Bloomfield Highway
Farmington, New Mexico 87401

Attention: Mr. Gary W. Brink

*Jicarilla "97" No. 6
API No. 30-039-26261
Unit D, Section 7, Township 26 North, Range 3 West, NMPM,
Rio Arriba County, New Mexico
Wild Horse-Gallup (Gas - 87360),
Blanco-Mesaverde (Prorated Gas - 72319) and
Basin-Dakota (Prorated Gas - 71599) Pools*

Dear Mr. Brink:

Reference is made to your recent application for an amendment to Division Order No. DHC-2740 dated May 30, 2000, which order authorized the downhole commingling of Wild Horse-Gallup and Basin-Dakota Gas Pool production within the well, to add the Blanco-Mesaverde Gas Pool as a third commingled zone in the well.

It appearing that the subject well qualifies for approval for such amendment pursuant to the provisions of Rule 303.C., 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 and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

The applicant shall consult with the supervisor of the Aztec District Office of the Division upon completion and testing of the well in order to determine a fixed allocation of production from each of the commingled zones. Upon approval by the Division's Aztec District Office, the applicant shall submit the allocation formula to the Santa Fe Office of the Division.

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REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 5th day of June, 2001.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

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LORI WROTENBERY
Director

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LW/DRC

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