

DATE IN 12/14/06	SUSPENSE	ENGINEER JONES	LOGGED IN 12/14/06	TYPE DHC	APP NO. PTD50634855432
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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



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
☐ 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] ☒ 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

2006 DEC 14 PM 2 30

[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.

Justin Stolworthy _____
 Print or Type Name Signature

District Engineer 12-8-06
 Title Date

Just.Stolwor@ENERGEN.com
 e-mail Address

December 8, 2006

Mr. Mark E. Fesmire, P.E. - Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Administrative Approval to Downhole Commingle
Energen Resources Corporation
Jicarilla 95 #3B
780' FSL, 1770' FWL, Section 35, T27N, R3W, NMPM
Rio Arriba County, New Mexico

Dear Mr. Fesmire:

Energen Resources Corporation requests administrative approval to downhole commingle the Blanco Mesa Verde (MV), and WC27N3W35; Mancos pools in the subject well. It is our intent to commingle the two zones to increase the economic potential of this well. The well is currently on a plunger lift system, and we believe changing to a beam pump would be the most economical method to recover gas and oil from the subject well with the amount of oil recovery anticipated.

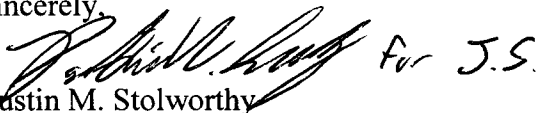
To comply with New Mexico Oil Conservation Rules, Energen Resources Corporation is submitting the following data for your approval of the proposed commingling.

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. Production curves from the current well in the following zone:
 - i) Blanco Mesa Verde
 - ii) WC27N3W35; Mancos
5. Allocation method

In accordance to New Mexico Oil Conservation Division Rule 303C, Energen Resources has notified all offset operators.

If additional information is needed, please contact me at 505-325-6800.

Sincerely,


Justin M. Stolworthy
District Engineer II

xc:

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

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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-26550	² Pool Code 72319/97058	³ Pool Name Blanco Mesaverde/ WC27N3W35; Mancos
⁴ Property Code 21289	⁵ Property Name Jicarilla 95	⁶ Well Number 3B
⁷ OGRID No. 162928	⁸ Operator Name Energen Resources Corporation	⁹ Elevation 7145'

¹⁰ Surface Location

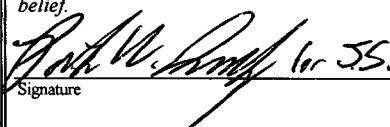
UL or lot no. N	Section 35	Township 27N	Range 3W	Lot Idn	Feet from the 780'	North/South line South	Feet from the 1770'	East/West line West	County Rio Arriba
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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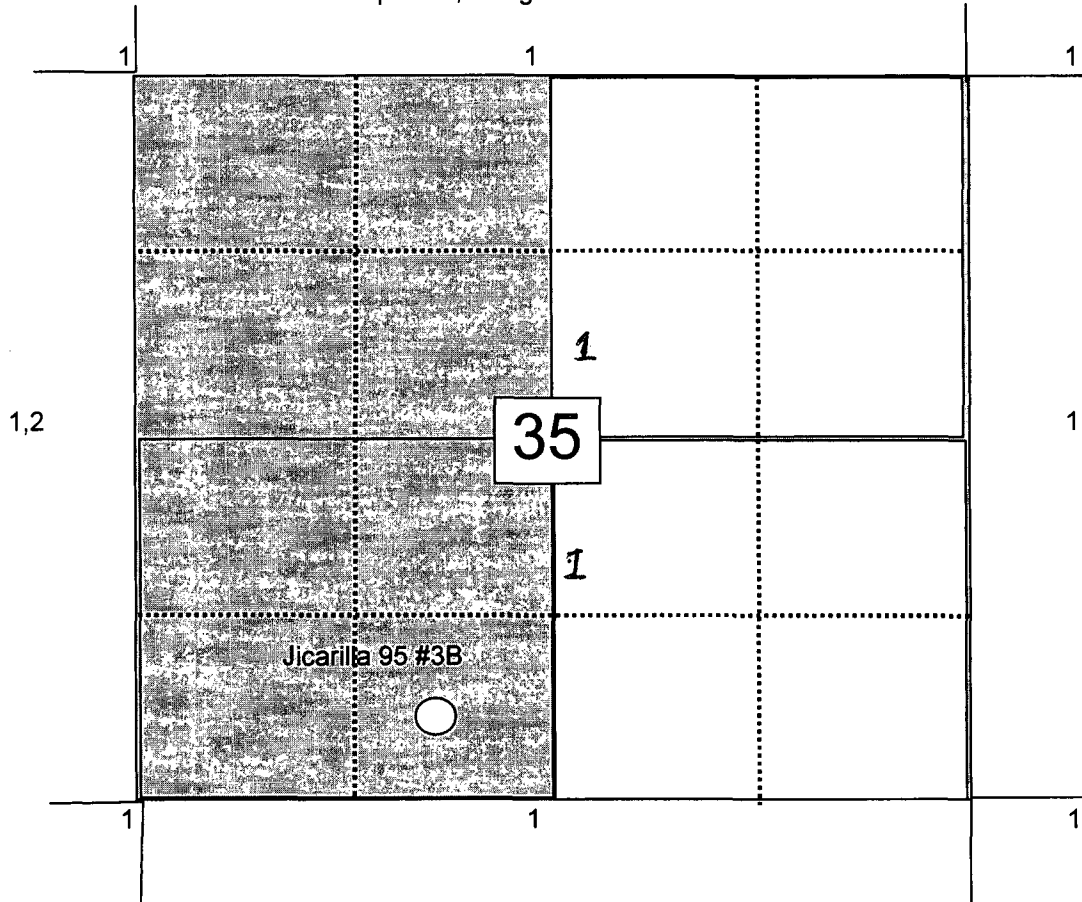
¹² Dedicated Acres 320/160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div><div>16</div><div><div>1770'</div><div>780'</div></div></div>	<div>35</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.</i>  Signature Justin M. Stolworthy Printed Name District Engineer jstolwor@energen.com Title and E-mail Address Date
		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> June 29, 2000 Date of Survey Signature and Seal of Professional Surveyor: Neale C. Edwards NM 6857 Certificate Number

Energen Resources Corp.
Jicarilla 95 #3B
Offset Operator/ Ownership Plat
Blanco Mesa Verde/WC27N3W35; Mancos
Downhole Commingling

Township 27 N, Range 3 W



- 1) Energen Resources
- 2) Williams Production

Notification list of Working, Royalty, and overriding royalty interests

1) Royalty

Jicarilla Apache Tribe
P.O. Box 507
Dulce, NM 87528

Notification list of Offset Operators

1) Williams Production
Attn: Doug Bird
One Williams Center
PO Box 3102, MS 25-2
Tulsa, Oklahoma 74101

0548 9658 2000 0297 5007 7005 1820 0002 8596 8450

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
Sent To Williams Production	
Street, Apt. No., or PO Box No. P.O. Box 3102, MS 25-2	
City, State, ZIP+4 [®] Tulsa OK 74101	
PS Form 3800, June 2002 See Reverse for Instructions	

Postmark Here

Copy - original sent to USBLM

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Energen Resources

3a. Address
2198 Bloomfield Hwy, Farmington, NM 87401

3b. Phone No. (include area code)
505-325-6800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

780' FSL 1770' FWL Sec 35, T27N, R3W, NMPM

5. Lease Serial No.

Jicarilla 95

6. If Indian, Allottee or Tribe Name

Jicarilla Apache

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Jicarilla 95 #3B

9. API Well No.

30-039-26550

10. Field and Pool, or Exploratory Area

Blanco MV/ WC27N3W35; Mancos

11. County or Parish, State

Rio Arriba, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other DHC
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Blanco Mesaverde/
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	WC27N3W35; Manc.

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Energen Resources Corporation requests administrative approval to downhole commingle the Blanco Mesa Verde (MV), and WC27N3W35; Mancos pools in the subject well. It is our intent to commingle the two zones to increase the economic potential of this well. The well is currently on a plunger lift system, and we believe changing to a beam pump would be the most economical method to recover gas and oil from the subject well with the amount of oil recovery anticipated.

1. MIRU and POOH with tubing strings.

2. TIH with work string and clean out with mill past CIBP and WC27N3W35; Mancos perforations to lower CIBP.

i) CIBP set @ 6538'

ii) Perforations set @ 7435'-7450'

iii) CIBP set @ 7705'

3. TOH with work string and mill.

4. TIH w/ 2-3/8" production tubing to WC27N3W35; Mancos Mid-perforations or there about.

5. Swab well in and place on artificial lift.

6. Based on historical production allocation for gas is 86% Mesa Verde, 14% WC27N3W35; Mancos. Oil will be allocated 17% Mesa Verde, 83% WC27N3W35; Mancos.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Justin Stolworthy

Title District Engineer

Signature

Date 12-11-2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

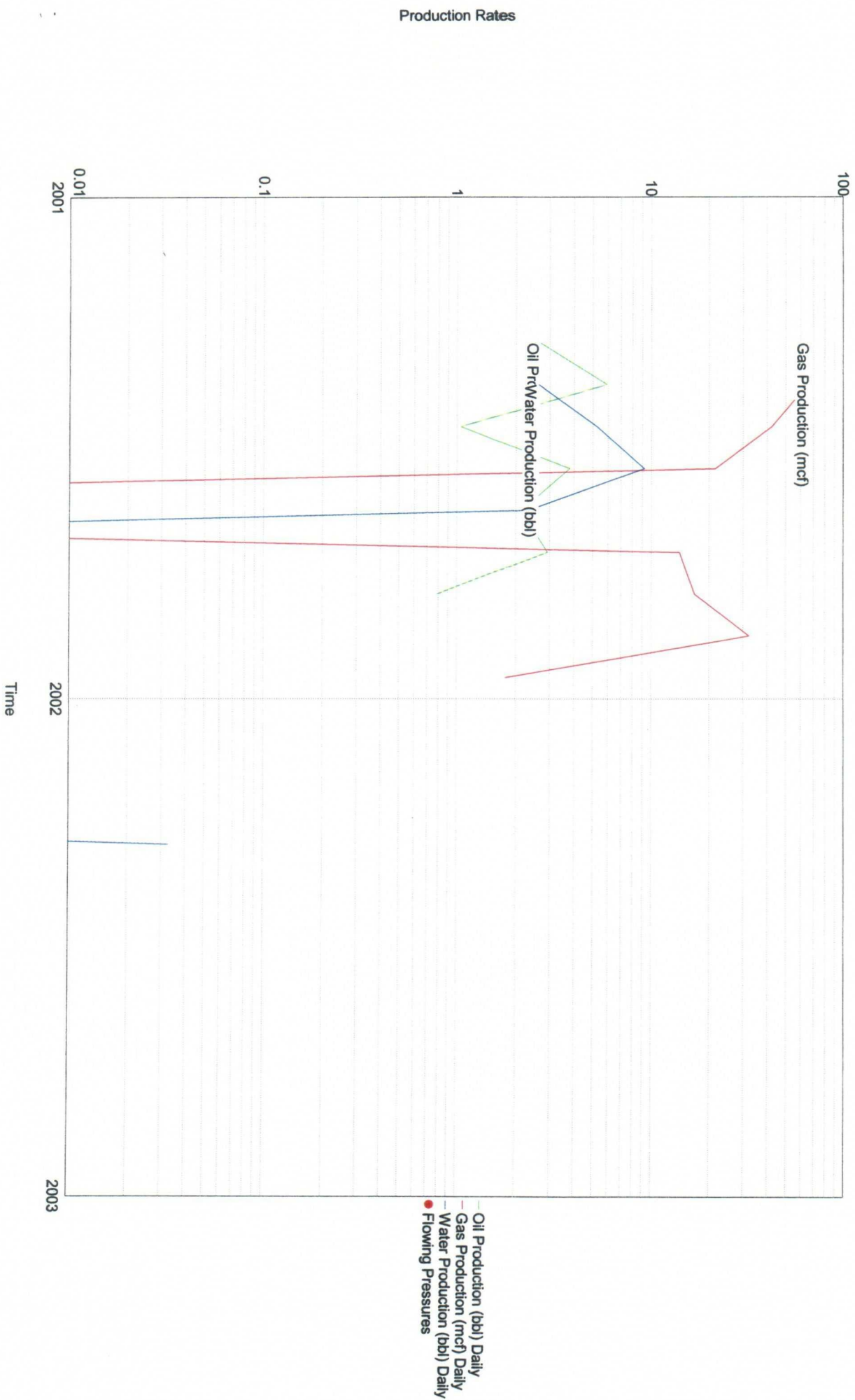
Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Lease Name: JICARILLA 95
County, State: RIO ARBA, NM
Operator: ENERGEN RESOURCES CORPORATION
Field: WILDCAT
Reservoir: MANCOS
Location: 35 27N 3W NW SE SW

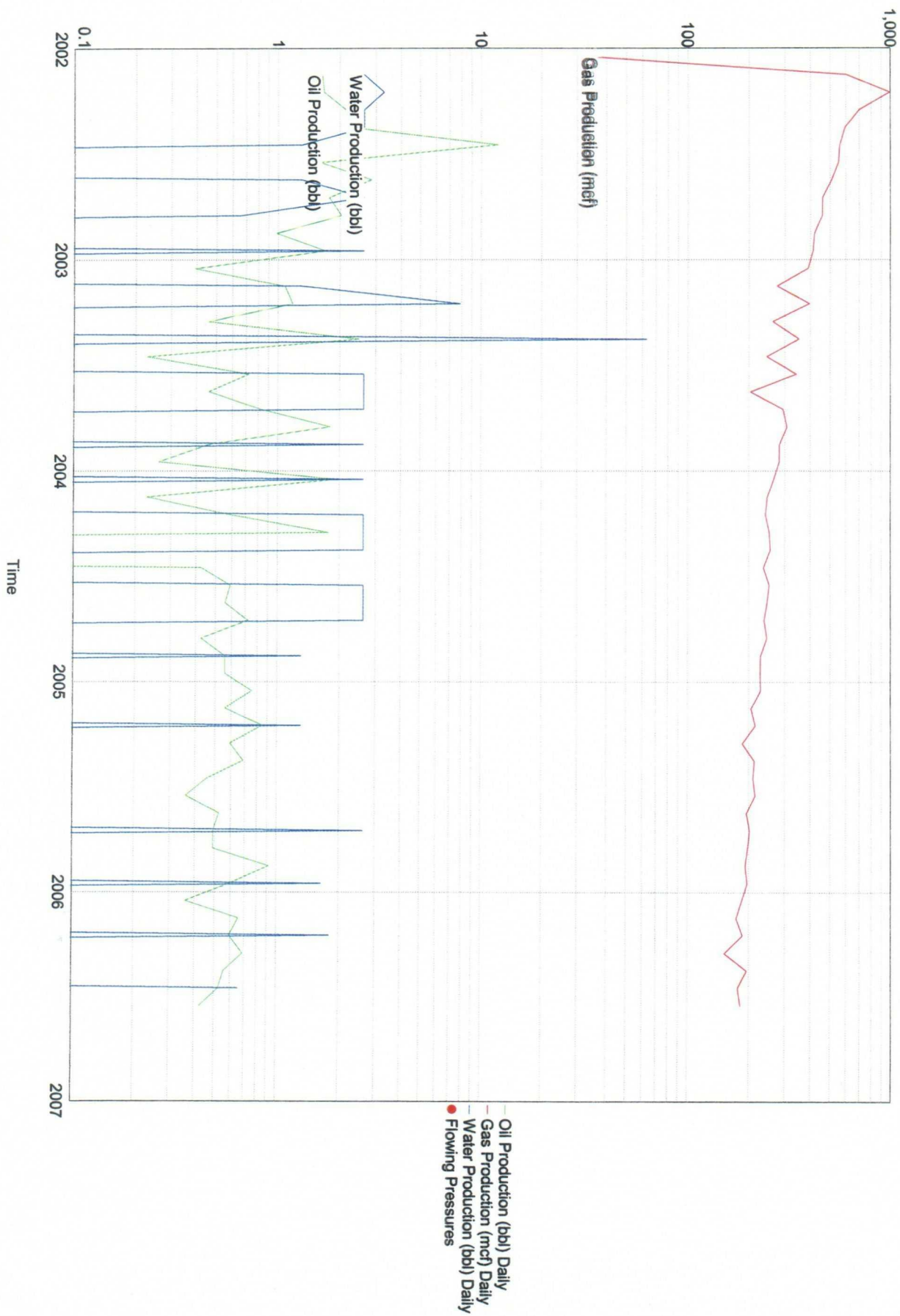
JICARILLA 95 - WILDCAT 3B



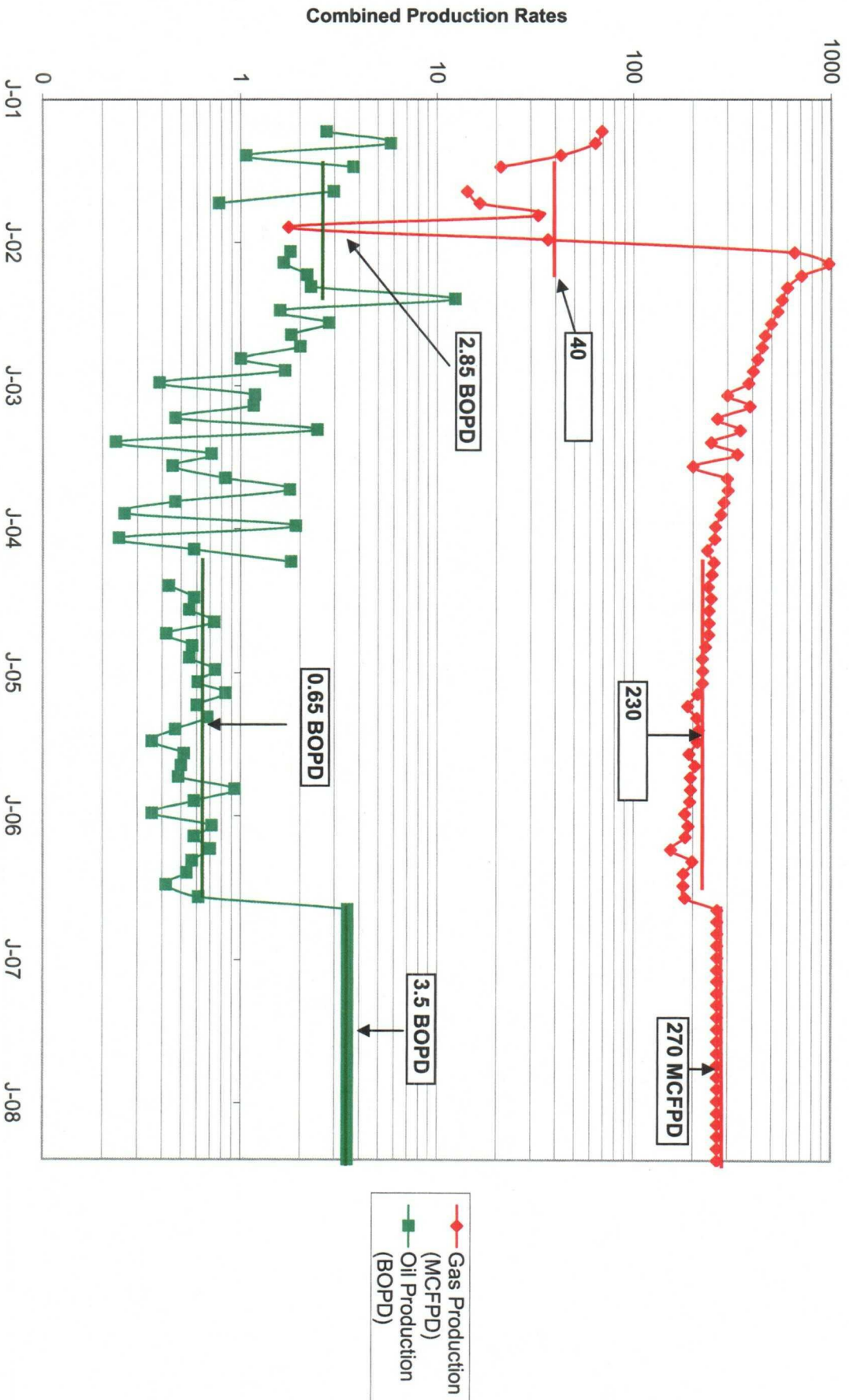
Lease Name: JICARILLA 95
County, State: RIO ARBA, NM
Operator: ENERGEN RESOURCES CORPORATION
Field: BLANCO
Reservoir: MESAVERDE
Location: 35 27N 3W NW SE SW

JICARILLA 95 - BLANCO 3B

Production Rates



Jicarilla 95 #3B Blanco MV/ WC27N3W35; Mancos



Recommended Allocation Method

1. MIRU and POOH with tubing strings.
2. TIH with work string and clean out with mill past CIBP and WC27N3W35; Mancos perforations to lower CIBP.
 - i) CIBP set @ 6538'
 - ii) Perforations set @ 7435'-7450'
 - iii) CIBP set @ 7705'
3. TOH with work string and mill.
4. TIH w/ 2-3/8" production tubing to WC27N3W35; Mancos Mid-perforations or there about.
5. Swab well in and place on artificial lift.
6. Based on historical production allocation for gas is 86% Mesa Verde, 14% WC27N3W35; Mancos. Oil will be allocated 17% Mesa Verde, 83% WC27N3W35; Mancos.

Note: see enclosed production graphs.