

DATE IN <b>2/11/03</b>	SUSPENSE <b>3/3/03</b>	ENGINEER <b>WVS</b>	LOGGED <b>KV/NSL</b>	<b>PKRV0304252935</b>
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -

**Jicarilla 96 #6C Well**

**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  
☒ [X] NSL    ☐ [ ] NSP    ☐ [ ] DD    ☐ [ ] SD

Check One Only for [B] and [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

**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

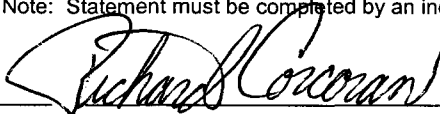
☐ [A] ☐ [ ] Working, Royalty or Overriding Royalty Interest Owners  
☐ [B] ☒ [X] Offset Operators, Leaseholders or Surface Owner  
☐ [C] ☐ [ ] Application is One Which Requires Published Legal Notice  
☐ [D] ☐ [ ] Notification and/or Concurrent Approval by BLM or SLO  
                     U.S. Bureau 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] 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 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.

Richard P. Corcoran  
Print or Type Name

  
Signature

District Landman  
Title

2-10-03  
Date



R E S O U R C E S

February 6, 2003

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 95 #6C  
660' FSL & 2,500' FEL  
SECTION 36-T27N-R3W  
RIO ARriba COUNTY, NEW MEXICO  
WILDCAT MANCOS

Dear Mr. Stogner:

Energen Resources Corporation (Energen) hereby requests Administrative Approval for an Unorthodox Location of its proposed Jicarilla 95 #6C Mesaverde well under the provisions of New Mexico Oil Conservation Division (NMOCD) Wildcat Mancos Rule 104.

The subject well is located 660' FSL & 2,500' FEL of Section 36-T27N-R3W, Rio Arriba County, New Mexico and is dedicated to a standard 320 acre gas unit consisting of the S/2 of said Section 36, for the Blanco Mesaverde gas pool.

The primary objective for the subject well is the Mesaverde formation and consequently its location was determined based on the most favorable geologic environment for the Mesaverde. Our interpretation indicates the further West (in the SE/4) we moved the thicker the pay zone and better the reservoir quality and consequently located our well as far West in the SE/4 as legally possible. (see map enclosed)

During our development of the Mesaverde in this area which has consisted of 30 wells over the last three years, eight wells were drilled through the Mancos, looking for appropriate candidates to test the Mancos formation. To date two wells were tested with marginal results.

Since the estimated additional reserves we anticipate may be recoverable from the Mancos formation will not justify drilling a well for these reserves alone; Energen Resources Corporation (Energen) now wishes to attempt a completion in the Mancos formation in our recently drilled Jicarilla 95 #6C well, under Rule 104. As rule 104 requires 660' set back from any outer boundary of the proposed quarter section our well is non-standard for the Mancos formation. Well logs have favorable shows to attempt a Mancos completion.

To allow us to test the Mancos formation and thereby possibly recover additional reserves a variance from Rule 104 would be necessary. For the forgoing reasons your favorable consideration of this application is requested.

A copy of this Application is being submitted to all offset operator/owner by certified mail with a request that they furnish your office in Santa Fe a Waiver of Objection.

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

Sincerely,

Richard Corcoran  
District Landman

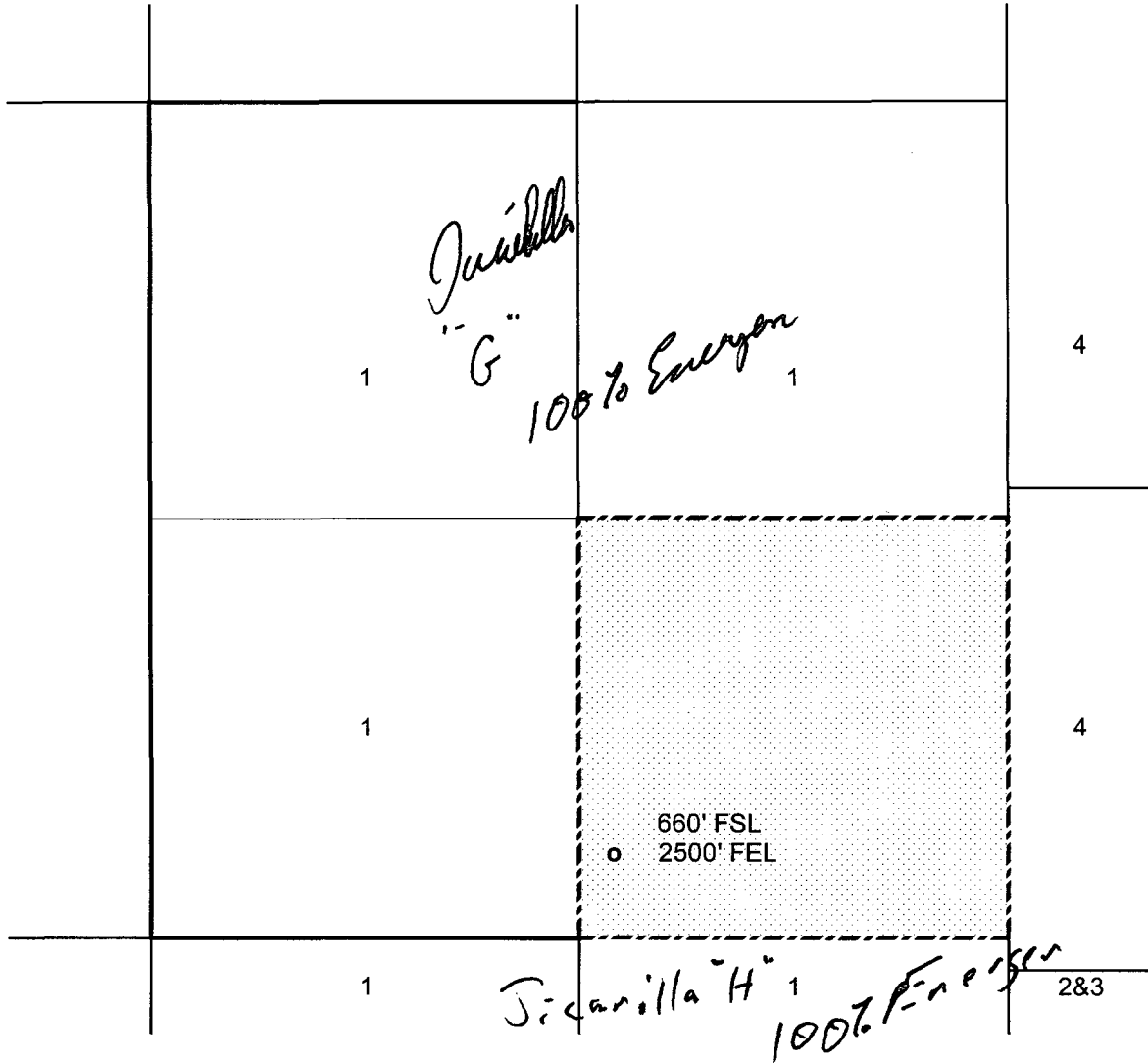
# Energen Resources Corporation

Jicarilla 95 #6C

OFFSET OPERATOR \ OWNER PLAT

Mancos Formation

SE/4 Section 36, Township 27 North - Range 3 West



Tract 1 Energen Resources Corp.

Tract 2 Sec. 6: Lots 1, 2, & 3 T26N-R2W

Coleman Oil & Gas

Elm Ridge Exploration

Tract 3 Sec. 6: Lot 4 and Sec. 7: Lots 1, 2, & 3 T26N-R2W

Scythian, Ltd

Coleman Oil & Gas

Elm Ridge Exploration

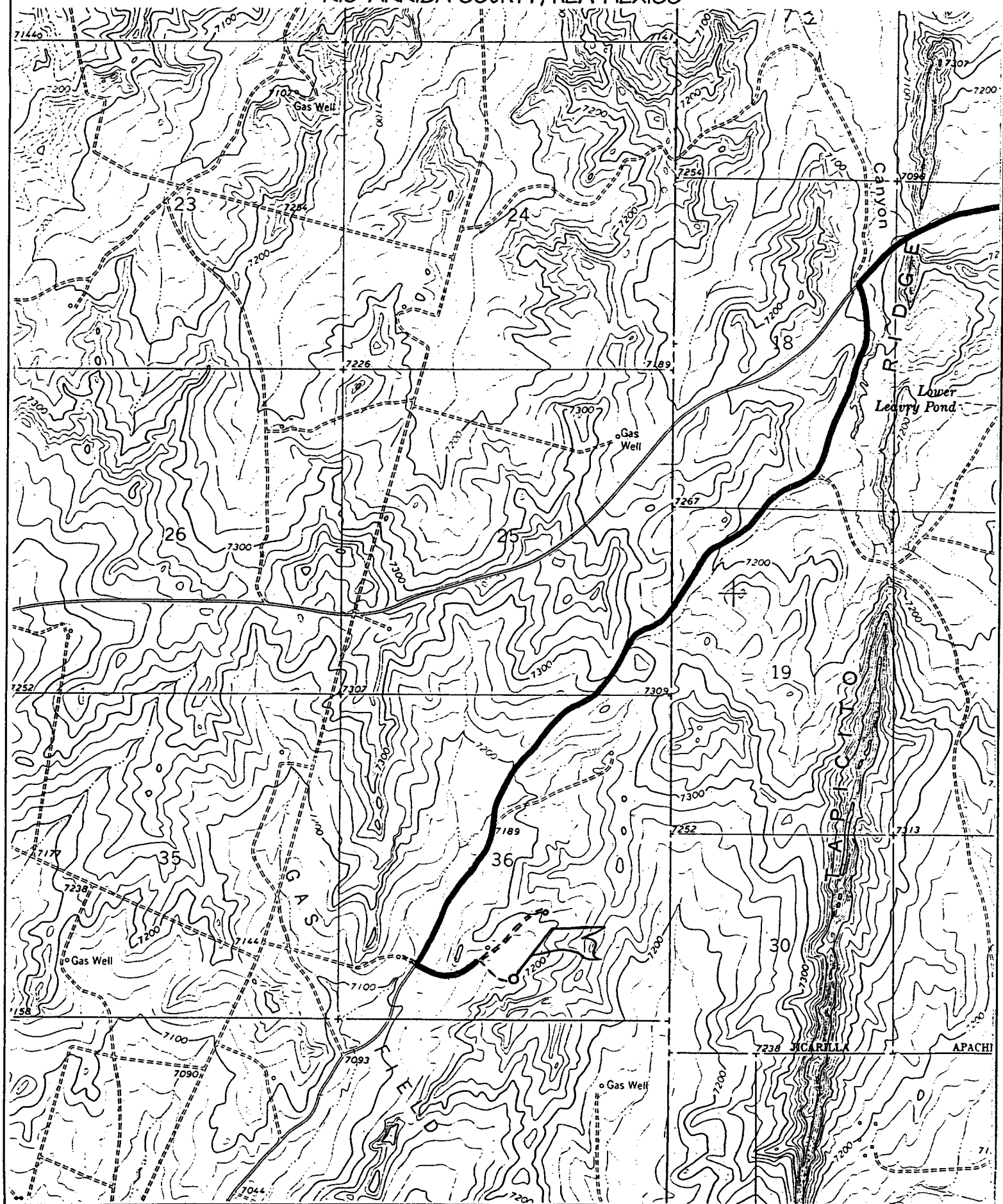
Tract 4 Sec. 19 & 30: All T27N-R2W

Jicarilla Apache Tribe

Call Richard C. on 2-24-2003  
to verify lease between Sec  
1 and 2 and that  
Energen is 100% WE in  
each. yes.

ENERGEN RESOURCES CORPORATION JICARILLA 95 #6C

660' FSL & 2500' FEL, SECTION 36, T27N, R3W, N.M.P.M.  
RIO ARriba COUNTY, NEW MEXICO



District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
PO Drawer DD, Artesia, NM 88211-0719

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO 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

*API Number 30-039-26892		*Pool Code 72319 -	*Pool Name Blanco Mesaverde - WC:27N3W360; Mancos (G)
*Property Code	*Property Name JICARILLA 95		*Well Number 6C
*GRID No. 162928	*Operator Name ENERGEN RESOURCES CORPORATION		*Elevation 7193'

<sup>10</sup> Surface Location

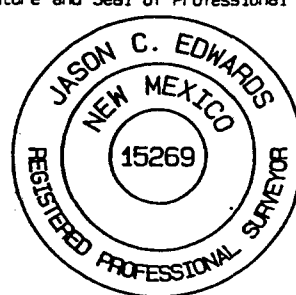
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	36	27N	3W		660	SOUTH	2500	EAST	RIO ARriba

<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 320/160	<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

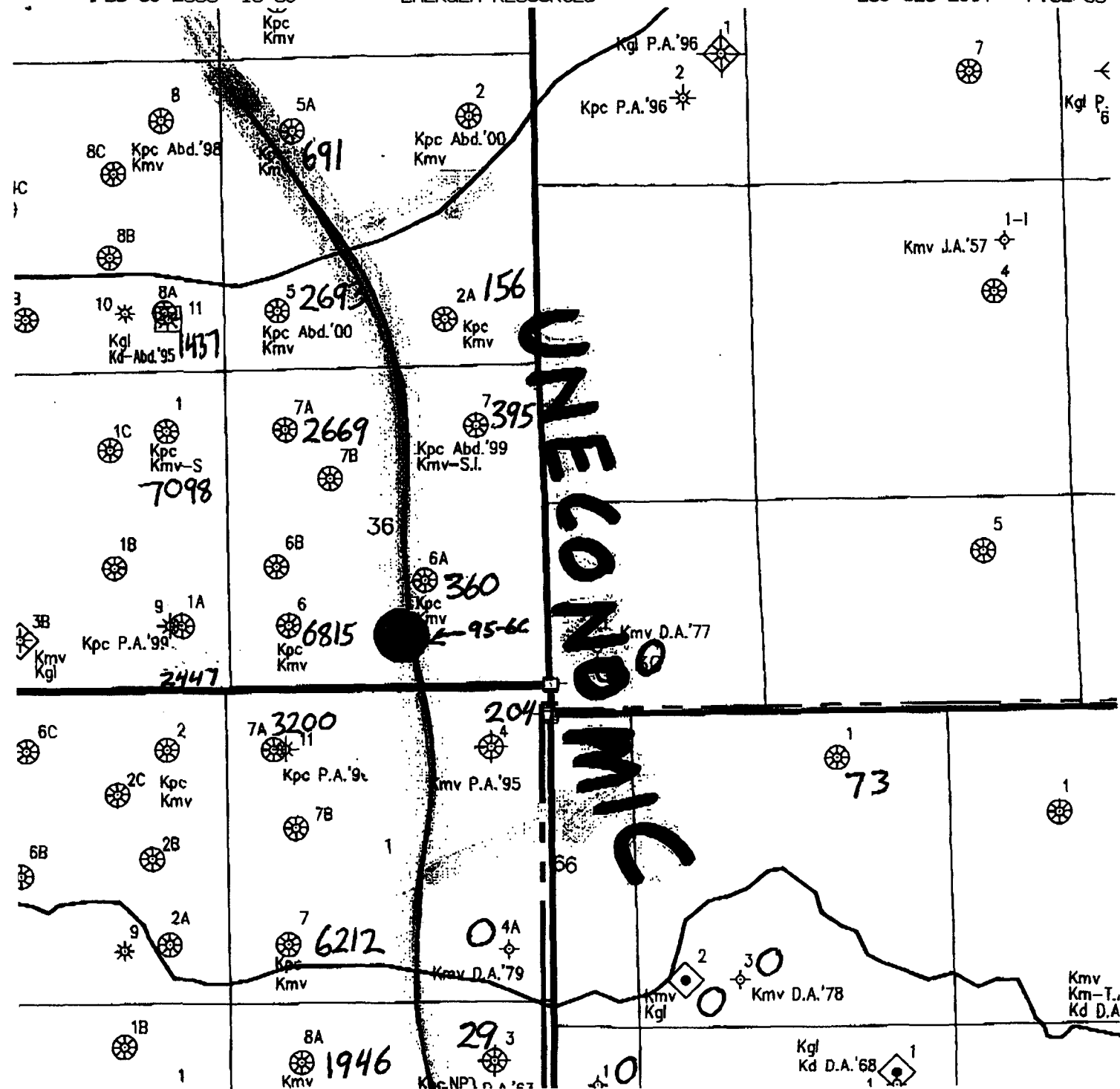
16	5274.72'		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  <i>Don Graham</i> Signature Don Graham Printed Name - Production Superintendent Title 2-6-03 Date
	5280.00'		
5280.00'		18 SURVEYOR CERTIFICATION 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. Date of Survey: AUGUST 31, 2001 Signature and Seal of Professional Surveyor   Certificate Number 15269	
5280.00'		2500'	
5280.00'		660'	

The Jicarilla 95-6C (se 36, 27N-3W) has the Mesaverde as the primary objective. The location was based primarily on the Mesaverde geology. The well is also being drilled on down to the Mancos as an exploratory test, but the probability of success in the Mancos is very low.

The Mancos consists of tight sands and shales that only produce when naturally fractured. These natural fractures are frequently absent and impossible to predict. Because of this, it is uneconomic to drill wells if the Mancos is the only objective. Energen is attempting to economically find some recoverable reserves in the Mancos by piggy-backing this zone on a Mesaverde new drill.

The primary Mesaverde reservoir at this location is the Point Lookout formation. The Point Lookout sand thins dramatically as you go from west to east (see net pay map). In fact, the original well drilled in the se/4 had only 4' of pay and was uneconomic (see EUR map).

A well drilled at an orthodox location in the se/4 would not be economic in the Mesaverde. The unorthodox location for the 95-6C is as far west as possible in an attempt to establish commercial Mesaverde production. Even at this unorthodox location there is significant risk of drilling an uneconomic well.

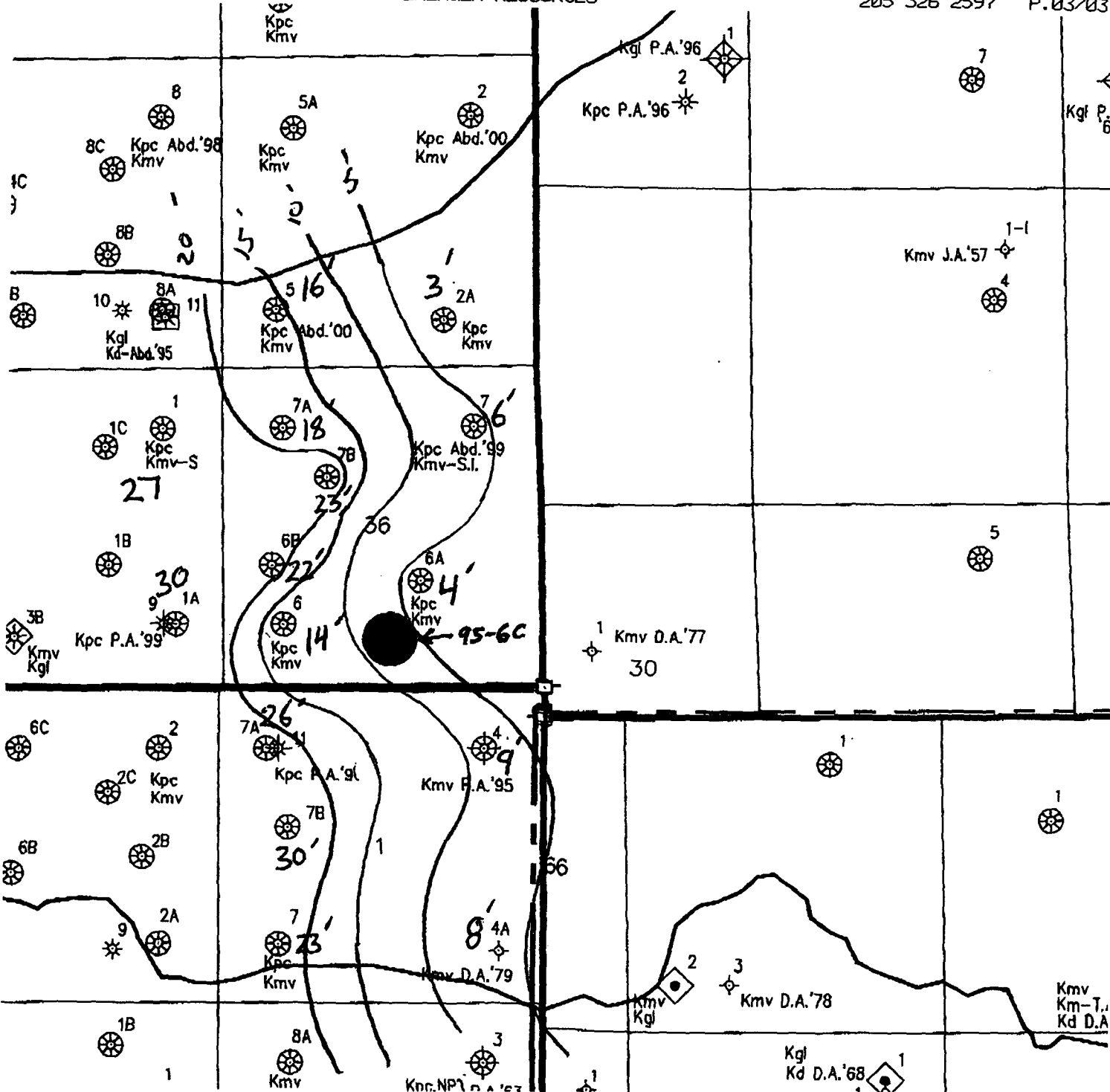


G:\SHARED\AUTOCAD\CONV\HOPKINS\CURRENT\USEFILES\SEMAP1-1202.dwg Wed Feb 05 15:20:42 2003

MESAVERDE EUR

(mmcf)

WELLS DRILLED 1958-1980



E:\SHARED\AUTOCAD\CONV\HOPKINS\CURRENT USERFILES\SEMAP1-1202.dwg Wed Feb 05 15:20:42 2003

POINT LOOKOUT NET PAY

C1 = 5'





R E S O U R C E S

February 10, 2003

WJ

RECEIVED

FEB 13 2003

OIL CONSERVATION  
DIVISION

Coleman Oil & Gas  
Attn: Chris Coleman  
P. O. Drawer 3337  
Farmington, NM 87499

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION  
JICARILLA 95 #6C WELL  
660' FSL & 2,500' FEL  
SECTION 36-T27N-R3W  
RIO ARriba COUNTY, NEW MEXICO

Dear Chris:

Energen Resources Corporation has filed with the New Mexico Oil Conservation Division (NMOCD), an application for the Administrative Approval of an Unorthodox Location for its Jicarilla 95 #6C well. A copy of the application has been attached for your review.

If you have no objection to this unorthodox location, please sign the three copies of the attached waiver, return one executed copy to the NMOCD at 1220 South Saint Frances Drive in Santa Fe, New Mexico 87505, one copy to our office and retain one copy for your files.

Your cooperation in this matter is appreciated.

Sincerely,

Richard P. Corcoran  
District Landman

RC/ga

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WAIVER

Coleman Oil & Gas, Inc. hereby waives objection to the above referenced Application for Unorthodox Location for Energen Resources Corporation's Jicarilla 95 #6C well.

Date: 2-12-03

By:

cc: OCD-Aztec office, BLM-Farmington office, Offset Operators



R E S O U R C E S

February 10, 2003

Elm Ridge Resources  
Attn: Doug Ensley  
20 Road 5060  
Bloomfield, NM 87413

FEB 24 2003

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION  
JICARILLA 95 #6C WELL  
660' FSL & 2,500' FEL  
SECTION 36-T27N-R3W  
RIO ARRIBA COUNTY, NEW MEXICO

Dear Mr. Ensley:

Energen Resources Corporation has filed with the New Mexico Oil Conservation Division (NMOCD), an application for the Administrative Approval of an Unorthodox Location for its Jicarilla 95 #6C well. A copy of the application has been attached for your review.

If you have no objection to this unorthodox location, please sign the three copies of the attached waiver, return one executed copy to the NMOCD at 1220 South Saint Frances Drive in Santa Fe, New Mexico 87505, one copy to our office and retain one copy for your files.

Your cooperation in this matter is appreciated.

Sincerely,

Richard P. Corcoran  
District Landman

RC/ga

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WAIVER

Elm Ridge Exploration Company hereby waives objection to the above referenced Application for Unorthodox Location for Energen Resources Corporation's Jicarilla 95 #6C well.

Date: 2/19/03 By: [Signature]  
cc: OCD-Aztec office, BLM-Farmington office, Offset Operators



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**Bill Richardson**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

March 6, 2003

**Lori Wrotenbery**  
Director  
Oil Conservation Division

**Energen Resources Corporation**  
**2198 Bloomfield Highway**  
**Farmington, New Mexico 87401**

**Attention: Richard Corcoran**

**Re:** *Administrative application for a location exception for Energen Resources Corporation's proposed Jicarilla "95" Well No. 6-C to be drilled 660 feet from the South line and 2500 feet from the East line (Unit P) of Section 36, Township 27 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.*

Dear Mr. Corcoran:

This letter acknowledges your administrative application dated February 6, 2003 for the above described well to be drilled at an unorthodox location to the Mancos formation. The Division received your application on February 11, 2003, and assigned it **NMOCD administrative application reference No. pKRV0-304252935**. Please refer to this number in future correspondence with the Division.

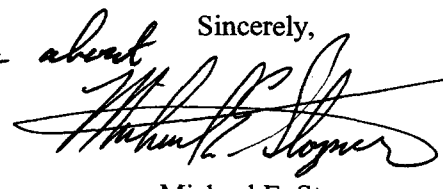
My preliminary review indicates that the information provided in your application is not sufficient to process an administrative order at this time. This location is within one mile of the Gavilan-Mancos Oil Pool (**pool code here**) and is therefore subject to the "*Special Rules and Regulations for the Gavilan-Mancos Oil Pool*", as promulgated by Division Order No. R-7407, as amended (see copy attached), which rules require 640-acre spacing and proration units and for wells to be located no nearer than 790 feet to the outer boundary of the unit nor nearer than 330 feet to any governmental quarter-quarter section line or subdivision inner boundary.

Since the submitted information is insufficient to review, the application was ruled as incomplete on March 6, 2003. Please amend your application accordingly and submit by Friday, March 14, 2003.

The Division cannot proceed with your application until the required information is submitted. Upon receipt, the Division will continue to process your application. The additional information can be faxed to (505) 476-3471, or mailed to the Division in Santa Fe. If the necessary information is not submitted, your application will be returned to you.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465 or e-mail me at "[mstogner@state.nm.us](mailto:mstogner@state.nm.us)." Thank you.

3-10-03 and 3-14  
Steve Hester called to tell me about  
his plan for the Manor in  
the NW w/ respect to nomenclature

Sincerely,  
  
Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec

M.C.