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 Besources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco Santa Fe, New Mexico 875054-6429

Form C-107-A New 3-12-96

APPROVAL. PROCESS:

X_Administrative __Hearing

EXISTING WELLBORE

<u>X</u> YES ___NO

APPLICATION FOR DOWNHOLE COMMINGLING

ENERGEN RESOURCES CORPORATION	V 2198 [Address	Bloomfield Highway, Farming	ton, New Mexico 87401					
Jicarilla 98	3 M	Sec. 20 T26N R3W	Rio Arriba County, NM					
OGRID NO. 162928 Property Cod	de <u>21940</u> API NO. <u>30-03</u>		Unit Lease Types: (check 1 or more) (, State, (and/or) Fee					
The following facts are submitted in support of downhole commingling	Upper Zone	Intermediate Zone	Lower Zone					
Pool Name and Pool Code	Tapacito PC 85920		Blanco MV 72319					
Top and Bottom of Pay Section (Perforations)	3798-3828		5473-6065					
Type of production (Oil or Gas)	gas	123458	gas					
Method of Production (Flowing or Artificial Lift)	flowing	MAR 2000	flowing					
Bottomhole Pressure Oil Zones - Artificial Lift:	a. ^(Current) 394 calc.	MAR 2000 RECEIVED RECEIVED OIL CON. DIV OIL CON. DIV	a. 544 calc.					
Measured Current All Gas Zones: Estimated Or Measured Original	b. ^(Original) 1106 calc.	b COUNTRY	1416 calc.					
6. Oil Gravity (^O API) or Gas BTÜ Content)	1191 BTU		1224 BTU					
7. Producing or Shut-In?	producing		producing					
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: Rates:					
If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: 2/18/00 Rates: 0/69/.2	Date: Rates:	Date: 2/25/00 Rates: 0/60/.1					
Fixed Percentage Allocation Formula -% for each zone	Oil: Gas: 53 %	Oil: % Gas: %	Oil: Gas: 47 %					
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? If not, have all working, overriding, and royalty interests been notified by certified mail? Have all offset operators been given written notice of the proposed downhole commingling? X Yes — No								
11. Will cross-flow occur?Yes X_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 reliableYesNo (If No, attach explanation)								
12. Are all produced fluids from all commingled zones compatible with each other? X Yes No								
13. Will the value of production be decreased by commingling? — Yes X_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. X Yes No								
15. NMOCD Reference Cases for Rule		ER 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 the and complete to the best of my knowledge and belief. SIGNATURE								
TYPE OR PRINT NAME Garv W B		TELEPHONE NO. (

District I

PO Box 1980, Hobbs, NM 88241-1980

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

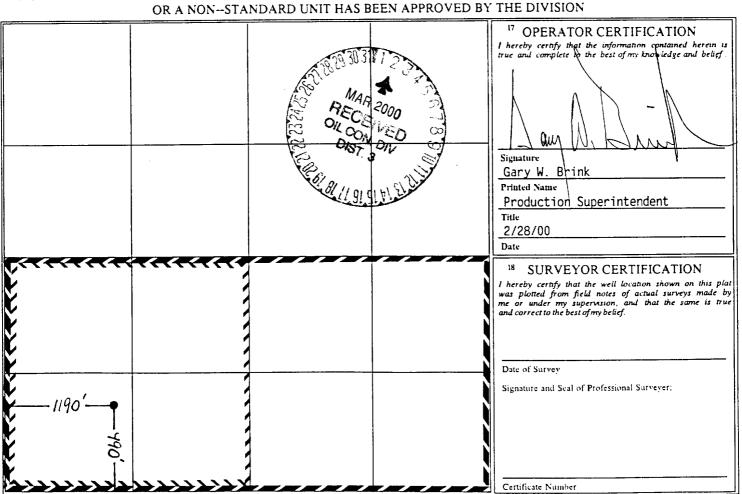
Form C-102 Revised October 18, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

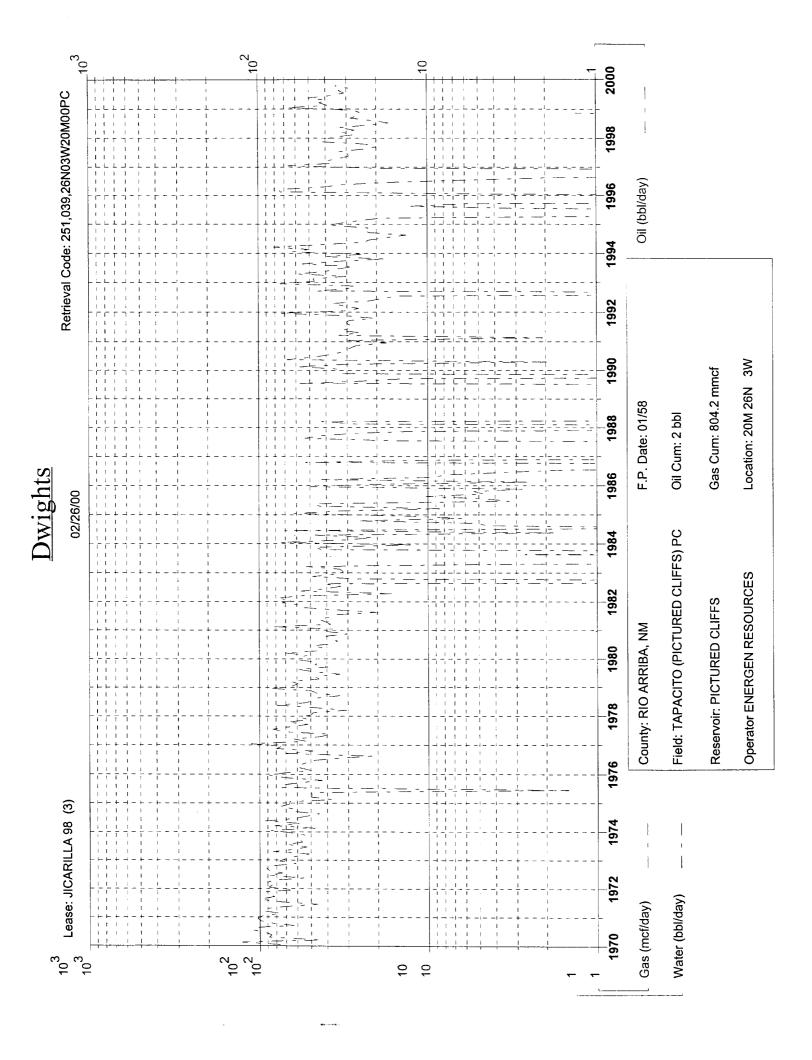
X AMENDED REPORT

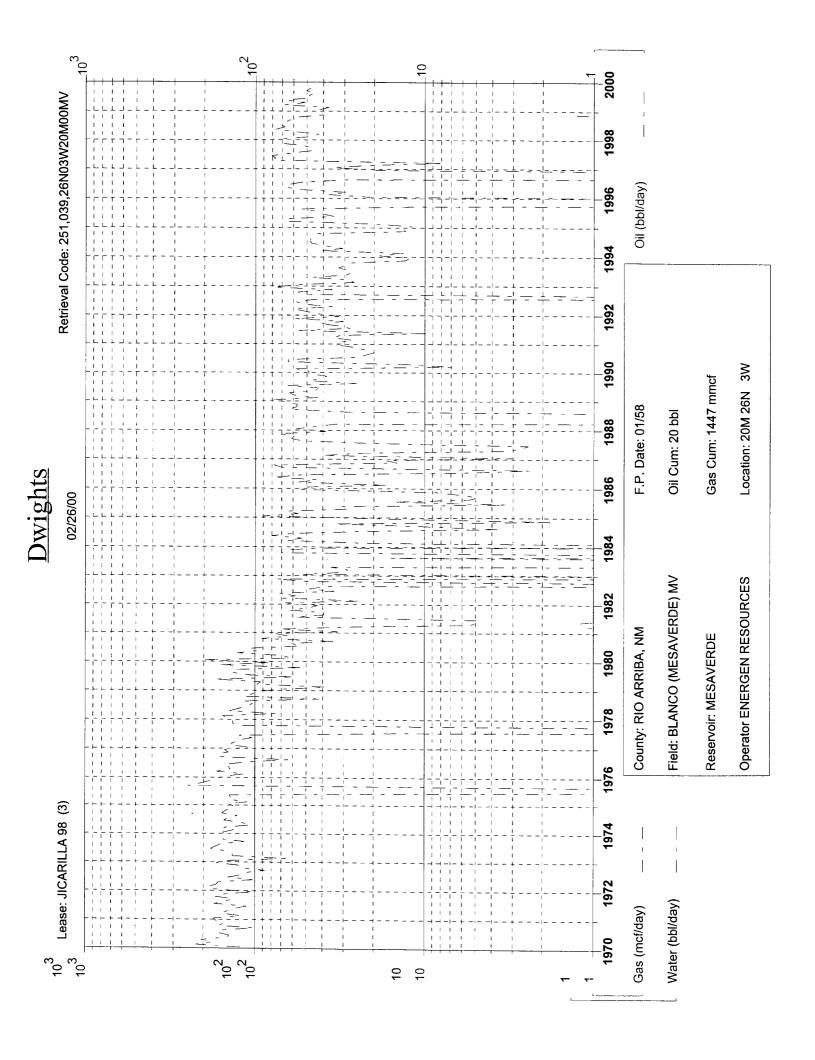
WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Numbe	r		² Pool Code		Pool Name				
3(0-039-063	350		85920/7233	19	Tapacito Pictured Cliffs/Blanco Mesa Verde				
⁴ Property			5 Property Name					6 Well Number		
219			Jicarilla 98				3			
7 OGRII			8 Operator Name				9 Elevation			
1629	928		ENERGEN RESOURCES CORPORATION				7119 GL			
				10	Surface Locat	rion				
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County	
М	20	26N	3W		990	South	1190	West	Rio Arriba	
			11 Bo	ottom Hole I	Location If Diff	erent From Surfac	e			
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County	
¹² Dedicated Acr	es ¹³ Join	t or Infill 140	Consolidation	n Code 15 Or	der No.		I			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDA





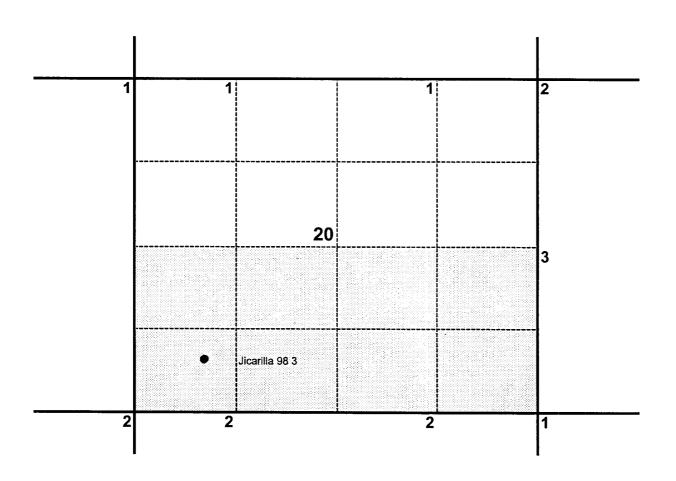


Energen Resources Corp.

Jicarilla 98 #3 Offset Operator / Ownership Plat

Tapacito Pictured Cliffs/ Blanco Mesa Verde Downhole Commingling

Township 26 N, Range 3 W



- 1) Energen Resources
- 2) Conoco 10 Desta Dr., Suite 100 W Midland, Tx 79705
- 3) Dugan Production Corp. P.O. Box 420 Farmington, N.M. 87401

7 5A SS K	8 5 K22 K22 K23	— -	Unit	Energen Resources Corp. Jicarilla 98 #3 Unit M Sec. 20, T 26 N, R 3 W Rio Arriba Co., N.M. Well Location Plat		
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