

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order DHC-2740-B
Order Date: May 13, 2014
Application Reference Number: pMAM1406928987

Energen Resources Corporation
2010 Afton Place
Farmington, New Mexico 87401

Attention: Charles Donahue

Jicarilla 97 Well No. 6
API No. 30-039-26261
Unit D, Section 7, Township 26 North, Range 3 West, NMPM
Rio Arriba County, New Mexico

Pool	TAPACITO PICTURED CLIFFS (PRORATED GAS)	Gas	85920
Names:	BLANCO-MESAVERDE (PRORATED GAS)	Gas	72319
	WILD HORSE GALLUP (GAS)	Gas	87360
	BASIN DAKOTA (PRORATED GAS)	Gas	71599

Reference is made to your recent application for an exception to 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore. This application is to amend Administrative Order DHC-2740-A with the addition of fourth commingle zone, the Tapacito Pictured Cliffs Gas Pool.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A. NMAC, and since 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 or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the application, the assignment of allowable and allocation of production from the well shall be based on the subtraction method. The production allocation percentages of oil and gas

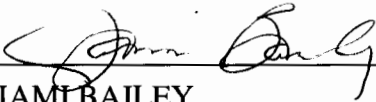
between these pools shall be supplied to the Division's Santa Fe office and the Division's district III office within 60 days following completion of this well or workover.

REMARKS: The operator shall notify the Division's district III office upon implementation of commingling operations.

This Order supersedes Division Orders DHC-2740 approved May 30, 2000, and DHC-2740-A (*"Amended Administrative Order DHC-2740"*) approved June 5, 2001.

This Order is subject to like approval from the United States Bureau of Land Management.

Pursuant to 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



JAMI BAILEY
Director

JB/prg

cc: New Mexico Oil Conservation Division – Aztec
Bureau of Land Management – Farmington Field Office

The Geothermal Development Process

Regulatory Roadmap Overview

Version: 6 June 2012

