



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

July 17, 2003

Lori Wrotenbery

Director

Oil Conservation Division

Energen Resources Corporation
2198 Bloomfield Highway
Farmington, New Mexico 87401

Attention: Mr. Charlie Donahue

Re: Form C-107-A
Carson No. 2
Section 7, T-30 North, R-4 West, NMPM,
Rio Arriba County, New Mexico

Dear Mr. Donahue:

I have reviewed your recent application to downhole commingle Pictured Cliffs/Mesaverde/Gallup production within the Carson No. 2, and I have determined that additional information will be required to process the application.

Please address the following issues and submit the required data, so that I may resume processing your application:

- 1) Form C-107-A was revised June 10, 2003. You are using an outdated form. I will accept the form for this application, however, in the future I will require the proper form. The revised form may be found on our website, or at the District Office in Aztec;
- 2) DHC-2740 did not approve commingling for this well. DHC-2740 approved commingling for the Energen Jicarilla "97" Well No. 6;
- 3) Commingling for this well appears to have been granted by Division Order No. R-10426 dated June 15, 1995;
- 4) In view of this discrepancy, is your proposed allocation formula still correct?

Thank you for your prompt attention to this matter.

Sincerely,

David Catanach
Engineer