

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Jicarilla A #6F

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]

2006 APR 27 PM 1 04

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
 X 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] 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] **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.

Richard Corcoran		Land Manager	4-24-06
Print or Type Name	Signature	Title	Date
		Rich.Corcoran@cdxgas.com	
		email Address	

CDX RIO, LLC

2010 Afton Place
Farmington, New Mexico 87401
(505) 326-3003 - Fax (505) 325-4007

April 24, 2006

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 A #6F
Section 24, T26N-R5W
605' FNL & 1900' FWL
RIO ARRIBA COUNTY, NEW MEXICO

5-16-06
1:59 AM
Richard Concoran text message
checking on the status of
this application.

324-5417

30-039-29644

Dear Mr. Stogner:

CDX Rio, LLC hereby requests Administrative Approval for an Unorthodox Location of the captioned well proposed as a Blanco Mesaverde/Basin Dakota commingled well under the provisions of New Mexico Oil Conservation Division (NMOCD) Order R-10987-A, Basin Dakota pool and Order R-10987-B, Blanco Mesaverde pool.

The proposed location is within a standard 320 acre gas spacing unit. Due to rugged topography and archeological resources the location was moved three times at the direction of the Jicarilla Apache Tribe and the Bureau of Indian Affairs during repeated on-sites. At our original location, which was a legal site, cultural resources were found (660' FNL & 1,940' FWL), and the second location (1,300' FNL & 2,430' FWL) was on the edge of a Mesa. The topography would require extensive cut and fill to prepare, which the Jicarilla Oil and Gas Administration would not allow. Finally the last two locations (1,300' FNL & 2,430' FWL, and 605' FNL & 1900' FWL) were non-standard do to either Archeological or Topographic obstacles within the standard window preventing us from locating a well and /or road.

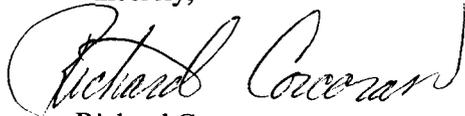
The proposed well would be the third Dakota and second Mesaverde well in the W/2 of Section 20-T26N-R5W. The Jicarilla A #6 (API #30-039-08137) located 900' FSL and 1,090' FWL of Section 20-T26N-R5W, was drilled to a total depth of 7,660', completed in the Dakota formation in December 24, 1965, and has cumulatively produced 1,044,097 MCFG through February of 2006. The Jicarilla A #6E (API #30-039-22898) located 1,760' FNL and 930' FWL of Section 20-T26N-R5W, was drilled to a total depth of 7,590', completed in the Dakota formation on August 24, 1982 and has produced 420,087 MCFG through February of 2006. Jicarilla A #9 (API #30-039-21643) located 980' FNL and 835' FWL of Section 20-T26N-R5W, was drilled to a total depth of 6,843', recompleted in the Mesaverde formation in October 20, 1980, and has cumulatively produced 184,032 MCFG through February of 2006.

CDX Rio, LLC is the operator of the W/2 of Section 17-T26N-R5W, being the direction for encroachment; which has the same ownership as the W/2 of said Section 20; consequently no other offsetting operators are affected. Further CDX Rio, LLC is the operator of ALL the adjoining spacing units in the Blanco Mesaverde and Basin Dakota pools.

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

Your favorable consideration of this request would be appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Corcoran". The signature is written in a cursive style with a large initial "R".

Richard Corcoran
Land Manager
RC/fd

C.C. Jicarilla Oil and Gas Administration, Attention Fred Vigil
Bureau of Indian Affairs, Attention George Loretto

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II
611 South First, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

P.O. 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

¹ API Number 30-039-		² Pool Code 72319/71599		³ Pool Name Blanco Mesaverde/Basin Dakota	
⁴ Property Code 33454		⁵ Property Name JICARILLA A			⁶ Well Number 6F
⁷ GRID No. 222374		⁸ Operator Name CDX RIO, LLC			⁹ Elevation 6608

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	20	26 N	5 W		605	NORTH	1900	WEST	RIO ARRIBA

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

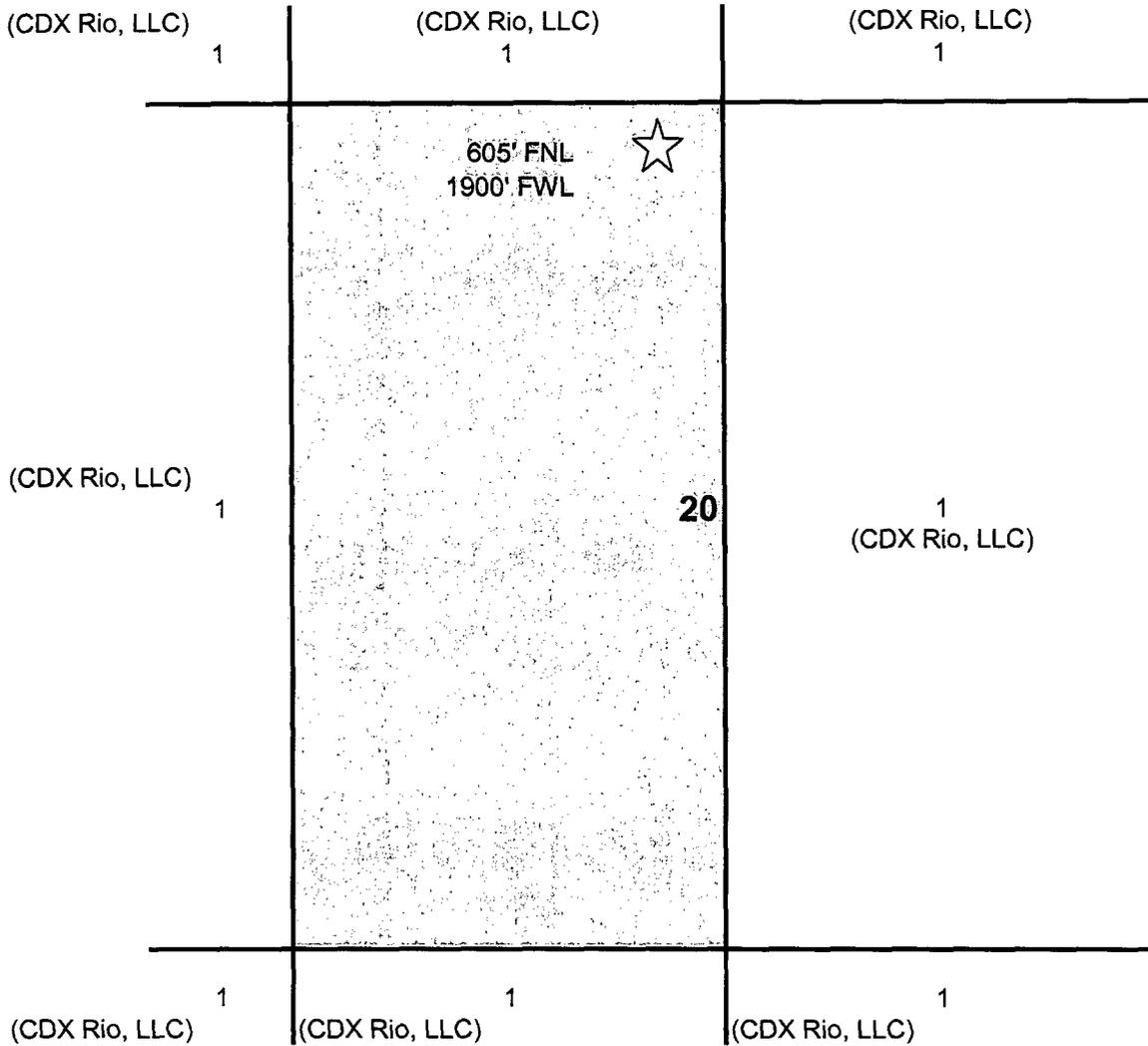
¹² Dedicated Arrows MV-W/320 DK-W/320	¹³ Joint or Infill Y	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16 N 89°53'33" E</p> <p>5321.05'</p> <p>1900'</p> <p>605'</p> <p>SECTION 20</p> <p>5368.20'</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Richard Corcoran</i></p> <p>Signature Richard Corcoran Printed Name Land Manager Title Date 8-18-06</p>
<p>N 0°11'40" E</p> <p>S 89°46'55" W</p>	

Standard 640-acre Section

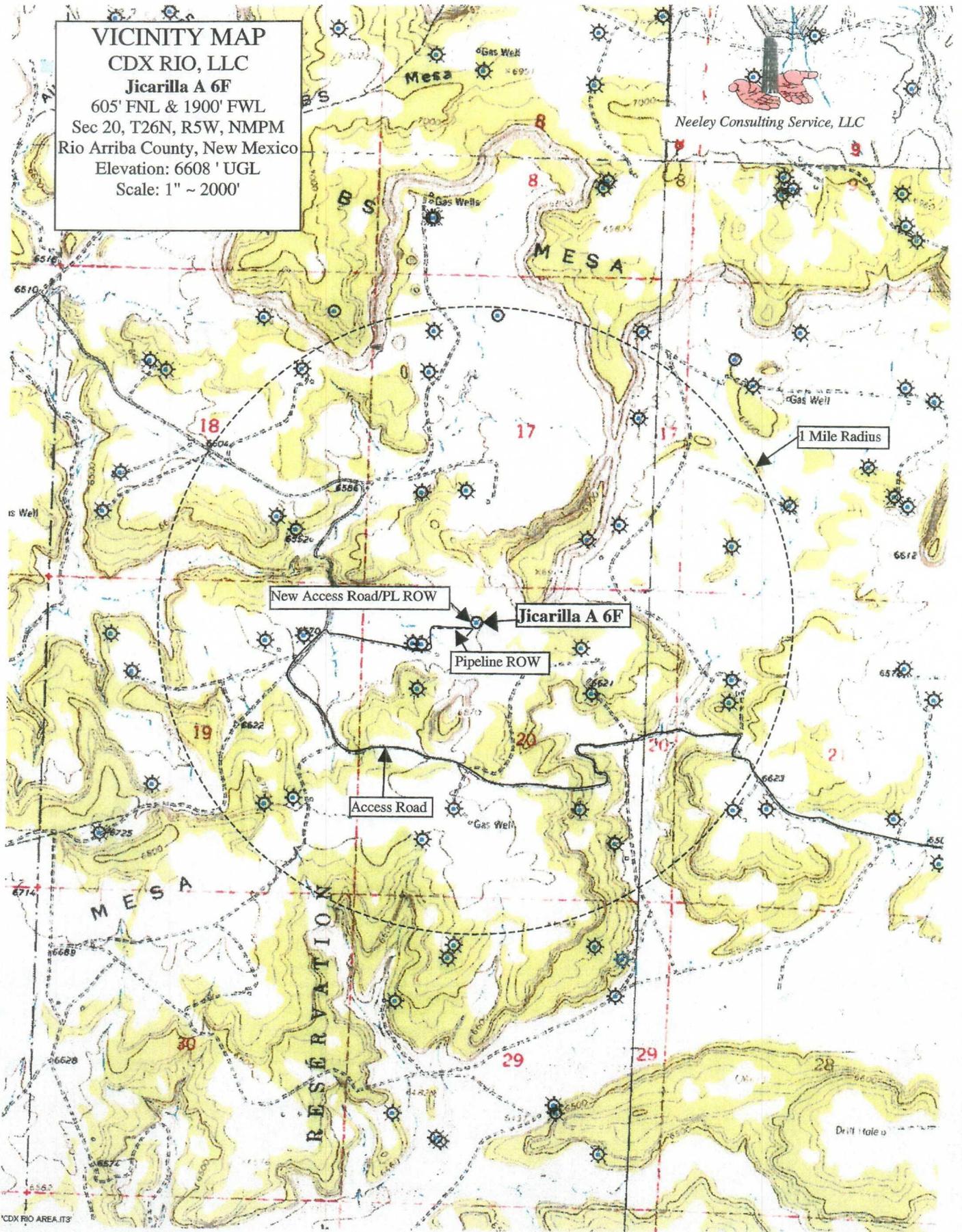
CDX Rio, LLC
Jicarilla A #6F
OFFSET OPERATOR \ OWNER PLAT
Mesaverde & Dakota Formation
W/2 Section 20 Township 26 North - Range 5 West
Rio Arriba County, NM

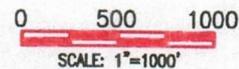
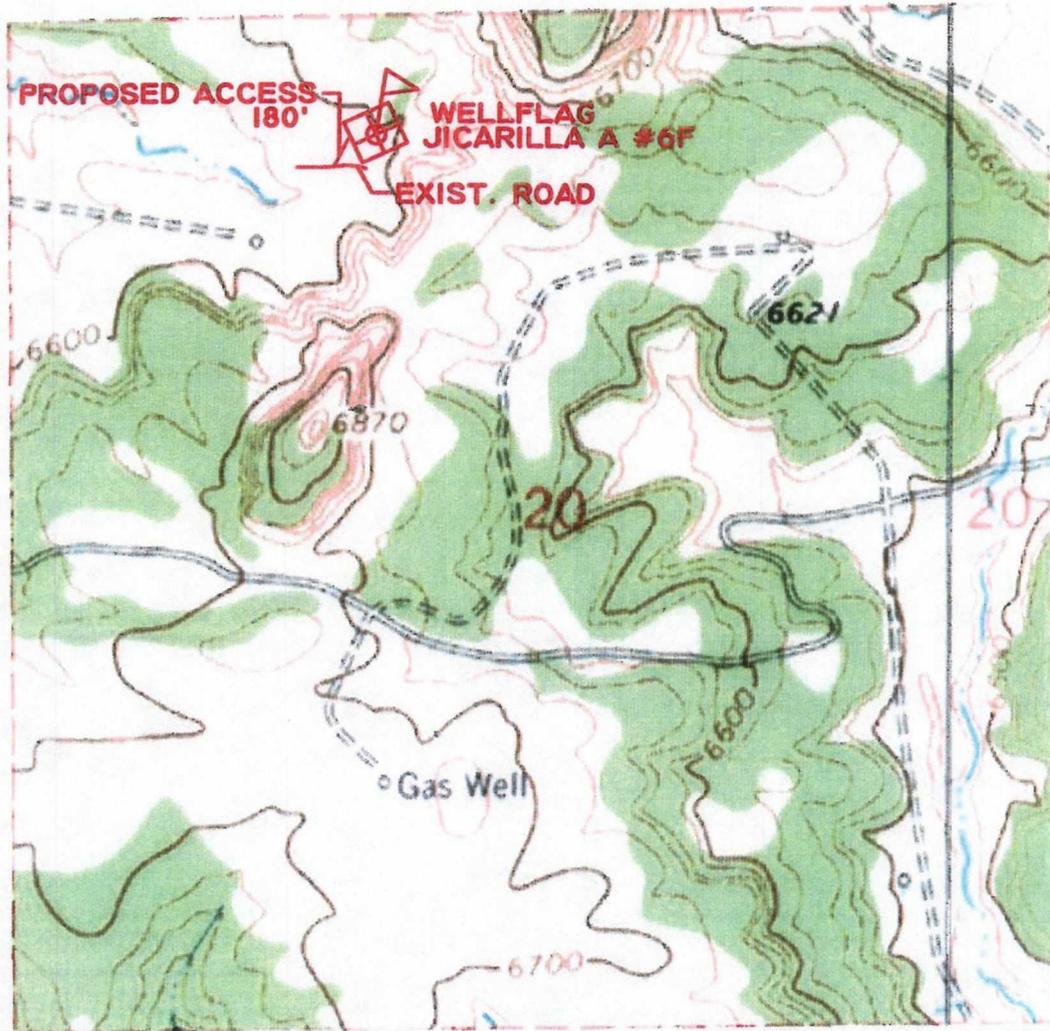


Tract 1 CDX Rio, LLC

VICINITY MAP
CDX RIO, LLC
Jicarilla A 6F
605' FNL & 1900' FWL
Sec 20, T26N, R5W, NMPM
Rio Arriba County, New Mexico
Elevation: 6608' UGL
Scale: 1" ~ 2000'

Neeley Consulting Service, LLC





LEASE: JICARILLA A #6F

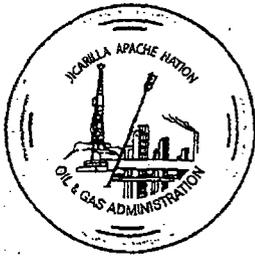
FOOTAGE: 605' FNL, 1900' FWL

SEC. 20 TWN. 26 N RNG. 5 W N.M.P.M.

LATITUDE: 36°28'40.9" LONGITUDE: 107°23'07.7"

ELEVATION: 6608

CDX RIO, LLC FARMINGTON, NEW MEXICO		
SURVEYED: 6/29/05	REV. DATE:	APP. BY R.P.
DRAWN BY: A.D.	DATE DRAWN: 7/13/05	FILE NAME: 5972T01
		P.O. BOX 3651 FARMINGTON, NM 87499 OFFICE: (505) 334-0408



OIL & GAS ADMINISTRATION

JICARILLA APACHE NATION

P.O. Box 146

Dulce, New Mexico 87528

(505) 759-3485 / 759-1823

FAX: (505) 759-3881

February 9, 2006

Bureau of Indian Affairs-Jicarilla Agency
Attention: Sherryl Vigil
P.O. Box 167
Dulce, New Mexico 87528

Dear Ms. Vigil:

This letter is in response to an on-site conducted for CDX on August 3, 2005 at J-4/J-6 and Highway 537 Counting Pans meeting at 9:00 a.m. Our letter includes comments made by the participants for mitigation of the request for Application for Permit to Drill (APD).

The following individuals were present for the onsite and are listed below:

Charles Neeley-CDX
Adelaide Paiz-Historic Preservation
Gifford Velarde-Velarde Energy
Louis Paul Chavez-Williams Field Service
Chester Deal-CDX, Rio
George M. Loretto Sr.-BIA-Realty
Annette L. Torivio-Oil & Gas Administration
Dixon Sandoval-EPO
Greg Armstrong-H & L Permitting
Rich Corcoran-CDX
Robert L. Pounds-United Field Services, Inc.
Ronald Busby-Patriot Contractors
Hershal Notsinneh-BIA Forestry

A total of five (5) sites were proposed with all being reviewed, and with general stipulations to include:

1. The well pad shall be properly identified with a sign which will include:
 - a. Company Name
 - b. Well Name
 - c. Legal Description
 - d. Lease Number
 - e. API Number
 - f. County

• *Development For Prosperity* •

2. 15-mil liner on reserve pit.
3. Construct Blow Pit to minimize overflow spray, i.e., higher walls.
4. Fences will be maintained around three sides of the Reserve Pit and the fourth completed at the removal of the drilling rig.
5. The locations will require that the topsoil be stockpiled for re-contouring and restoring the surface after the reserve pit is closed.
6. Production equipment will be painted the proposed color according to the terrain to blend in with the surrounding environment.
7. **Reseed with a suitable south/north mix, containing native species as well as quick growing grass varieties, Mountain Mahogany seed; contact the Environmental Protection Office (EPO) for a suitable recommendation.**
8. Best Management Practice (BMP) for drainage and access road design.
9. Reserve pits shall be reclaimed within 90 days, sooner if possible.
10. No fluids, i.e., diesel, motor oil, wastewater, will be disposed of on the Jicarilla Apache Reservation.
11. All Operators and their subcontractors shall have an Operating Permit issued by the Oil and Gas Administration. In addition all employees are required to have in their possession a valid Work Permit, issued by the Department of Labor-Jicarilla Apache Nation, contact number (505) 759-1705.
12. Wood is to be cut to 16" lengths and hauled to Dulce, Public Service yard.

Comments for the five (5) individual well locations and their legal descriptions:

Jicarilla A #2F staked at 540 feet from the north line, staked at 665 feet from the east line in Section 18, Township 26 North, Range 5 West, NMPM. Minimal impact to culture resources, medicinal plants in project area. Total disturbance of pipeline right of way 3538.40 feet on 45 feet width damage will be assessed. Assess road to come in from the northeast. Juniper, Pinon, sage and snakeweed in a sand clay soil, near a sandstone ridge. Move the location 150 feet from the ledge and wildlife concerns.

Jicarilla 151 Well#7G staked at 1470 feet from the north line, staked at 2305 feet from the west line in Section 4, Township 26 North, Range 5 West, NMPM. Minimal impact to culture resources, medicinal plants in project area. Total disturbance of pipeline 201.29 feet with a 45 feet of right of way. There is no evidence of any archaeology sites. The company was given the 50 feet buffer zone around the pad. This will be assessing for damages.

Jicarilla A 110 Well# 6F staked at 605 feet from the north line, staked at 1900 feet from the west line in Section 20, Township 26 North, Range 5 West, NMPM. This location is approved with the new pipeline plat and providing the archaeology site is clear.

Jicarilla 102 Well#8F staked at 430 feet from the south line, staked at 965 feet from the east line in Section 3, Township 26 North, Range 4 West, NMPM. Minimal impact to culture resources, medicinal plants in project area. Total disturbance of pipeline 169.0 feet with a 45 feet of right of way 80 feet of access road. There will be no trees cut in this vicinity by the company. Prepare proper drainage to control erosion.

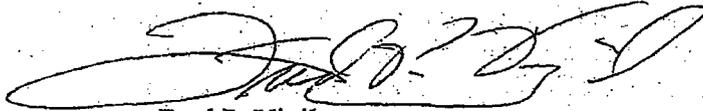
Jicarilla 108 C Well#8G staked at 895 feet from the north line, staked at 1555 feet from the west line in Section 13, Township 26 North, Range 4 West, NMPM. **This location will be put on hold until our office receives the new plats and archaeology clearance from the company or if the company decides to relocate.**

According to the Bureau of Land Management Onshore Order #7 Section IIIA, Disposal of Produced Water, should the operator/subcontractor have any questions, please contact the Petroleum Engineer Technician (PET) at the Jicarilla Oil & Gas Administration at (505) 759-3485 for more information. Title 18 of the Jicarilla Apache Nation's Oil & Gas under Section 6, Environmental Protection Standards.

Approval is recommended for the four (4) proposed well locations. Well locations by there name Jicarilla A #2F, Jicarilla 151 Well#7G, Jicarilla A 110 Well #6F and Jicarilla 102 Well#8F. Jicarilla 108 C Well#8G will be hold until all information is received.

Should you have any questions please contact Fred P. Vigil, Oil & Gas Administrator at (505) 759-3485 ext. 31. Thank you.

Sincerely,



Fred P. Vigil
Administrator

XC: Enclosures
Mr. Joe Muniz, Executive Director-Natural Resources
Mr. Levi Pesata, President