

7/2/99	7/22/99	DC	KW	DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2398

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]

JUL - 2 1999

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☐ NSL ☐ NSP ☐ DD ☐ 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

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

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ 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 further verify that all applicable API Numbers are included. 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.

GARY BEINK

Signature

Title

Production Dept.

6/30/99

Date



June 30, 1999

Ms. Lori Wrotenberry
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RE: Administrative Approval to Downhole Commingle
Energen Resources Corporation
San Juan 32-5 Unit #13M Well
1711' FSL, 1295' FEL, Sec. 25, T32N, R6W, N.M.P.M.
Rio Arriba County, New Mexico

Dear Ms. Wrotenberry:

Energen Resources Corporation, requests administrative approval to downhole commingle the Blanco Mesaverde and Basin Dakota pools in the subject well. The well is currently producing as a single Dakota well. Energen feels commingling is the most economical way to recover gas from both zones in this wellbore.

To comply with New Mexico Oil Conservation Rules, Energen Resources Corporation is submitting the following data for your approval of the proposed commingling:

1. For C107A - Application for Downhole Commingling
2. C-102 - Location plat showing each spacing unit and dedicated acreage
3. Offset operator plat
4. Well location plat
5. Production curves for Mesaverde and Dakota
6. Proposed Allocation Method
7. Technical Support Data
8. List of working, overriding and royalty interest owners

In accordance with New Mexico Oil Conservation Division Rule 303C, all offset operators, working interest and royalty owners are being notified of this application by certified mail. As an offset operator, if you have no objection to this application, you do not have to respond to this notification.

If additional information is needed, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary W. Brink", written over a horizontal line.

Gary W. Brink
Production Superintendent

GWB/mt

cc: NMOCD - Aztec, BLM-Farmington, Offset Operators

F:\MONICA\PRODUCT\OCD\SJ32-5U13M 6-99.DOC

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 Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 875054-6429Form C-107-A
New 3-12-96

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

ENERGEN RESOURCES CORPORATION

2198 Bloomfield Highway, Farmington, NM 87401

Operator

Address

San Juan 32-5 Unit

13M

I

Sec. 25 T32N

R6W

Rio Arriba

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

OGRID NO. 162928

Property Code 21996

API NO. 30-039-25878

Spacing Unit Lease Types: (check 1 or more)
Federal ☒ State ☐ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blanco Mesaverde 72319		Basin Dakota 71599
2. Top and Bottom of Pay Section (Perforations)	4500 - 6000		8030 - 8137
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure	a. (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	Not Yet Completed		1143 Meas.
Gas & Oil - Flowing: Measured Current	b. (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original	1300 Est.		2206 Meas.
6. Oil Gravity (^o API) or Gas BTU Content)	1000 BTU Est.		968 BTU
7. Producing or Shut-In?	Not Yet Completed		Producing
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give date and oil/gas/water rates of last production	Date:	Date:	Date:
	Rates:	Rates:	Rates:
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data			
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: N/A	Date:	Date: 6/26/99
	Rates:	Rates:	Rates: 0/54/.3
8. Fixed Percentage Allocation Formula -% for each zone	Oil: See % Gas: Attached %	Oil: % Gas: %	Oil: See % Gas: Attached %

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? ☐ Yes ☒ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☒ Yes ☐ No
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No11. Will cross-flow occur? ☐ Yes ☒ 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 reliable. ☐ Yes ☐ No (If No, attach explanation)12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)14. If this well in on, or communited 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. ☒ Yes ☐ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER 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 true and complete to the best of my knowledge and belief.

SIGNATURE Gary W. Brink TITLE Prod. Superintendent DATE 6/30/99TYPE OR PRINT NAME Gary W. Brink TELEPHONE NO. (505) 325-6800

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Huerfano Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

SO APR 13 PM 1:40 ☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Well Name	
		72319/71599		Blanco Mesa Verde/Basin Dakota	
4 Property Code		5 Property Name			6 Well Number
		SAN JUAN 32-5 UNIT			13M
7 OGRID No.		8 Operator Name			9 Elevation
162928		TAURUS EXPLORATION U.S.A., Inc.			6494

10 Surface Location

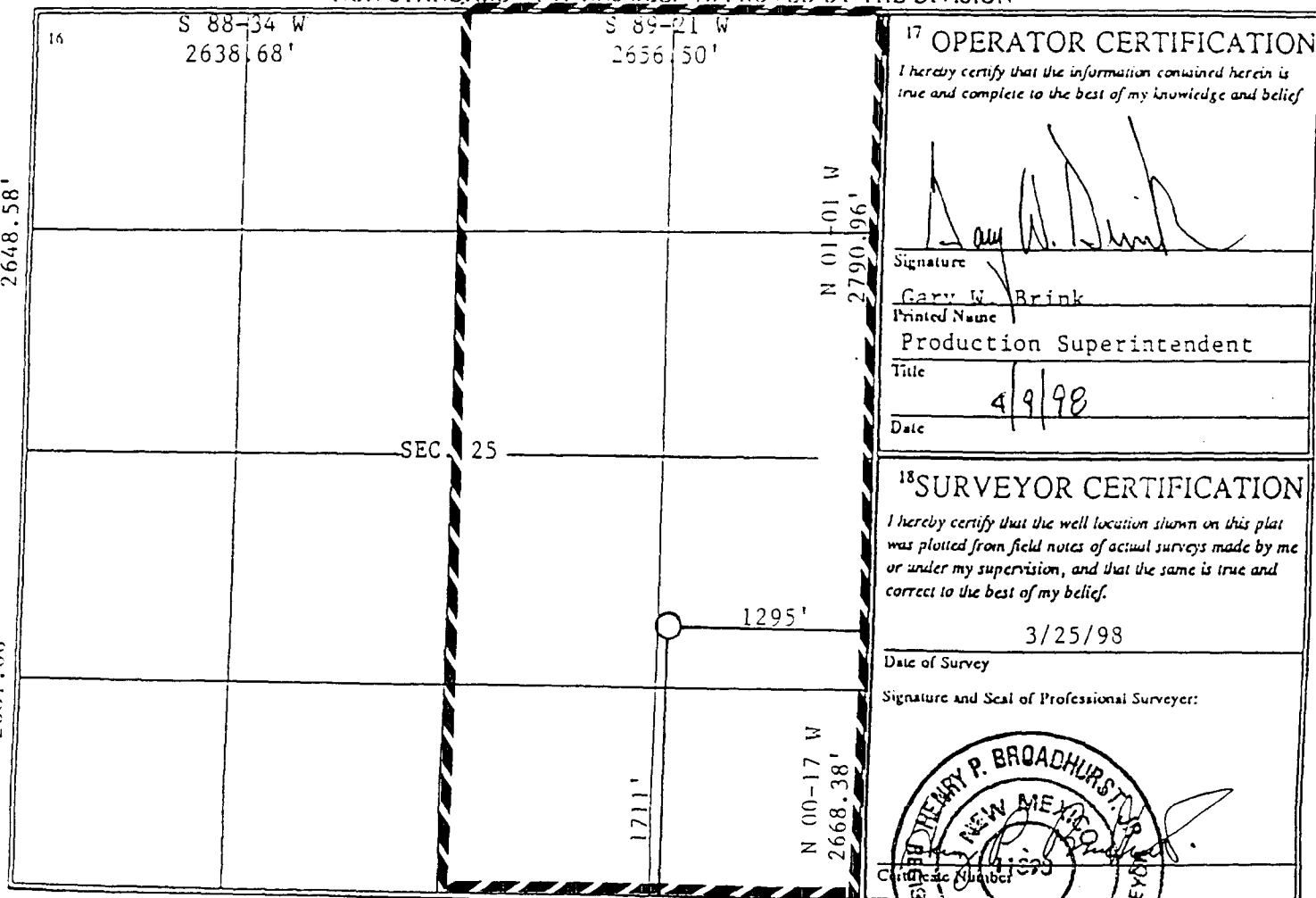
11, or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	25	32N	6W		1711	SOUTH	1295	EAST	RIO ARRIBA

11 Bottom Hole Location If Different From Surface

11, or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
320			

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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature

Gary W. Brink

Printed Name

Production Superintendent

Title

Date

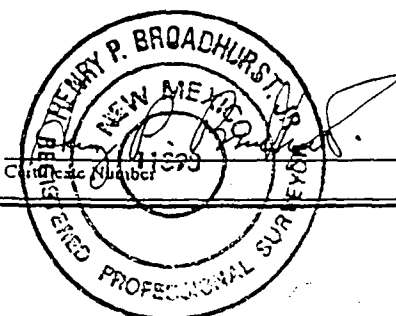
18 SURVEYOR CERTIFICATION

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.

3/25/98

Date of Survey

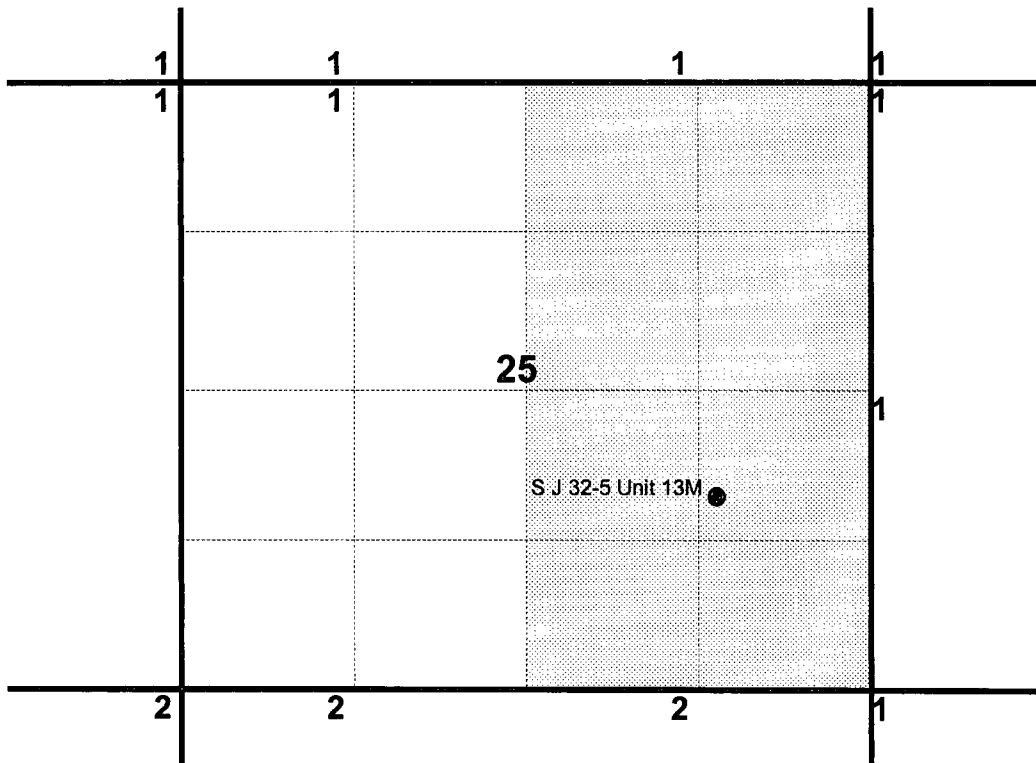
Signature and Seal of Professional Surveyor:



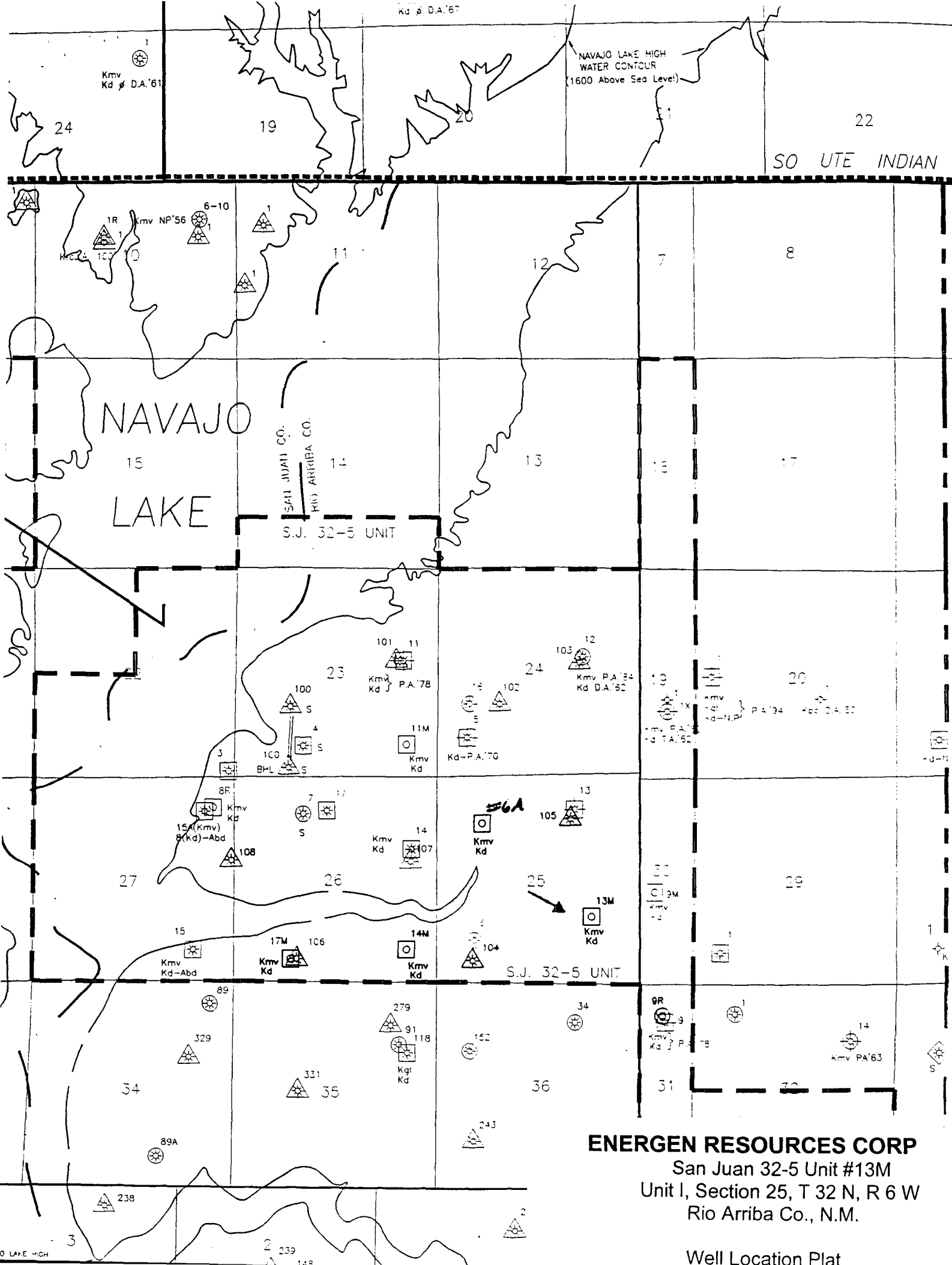
Energen Resources Corp.

San Juan 32-5 Unit #13M
Offset Operator / Ownership Plat
Blanco Mesa Verde/ Basin Dakota
Downhole Commingling

Township 32 N, Range 6 W



- 1) Energen Resources Corporation
- 2) Williams Production Co.
3102 37-4
1 Williams Center
Tulsa, Ok 74101



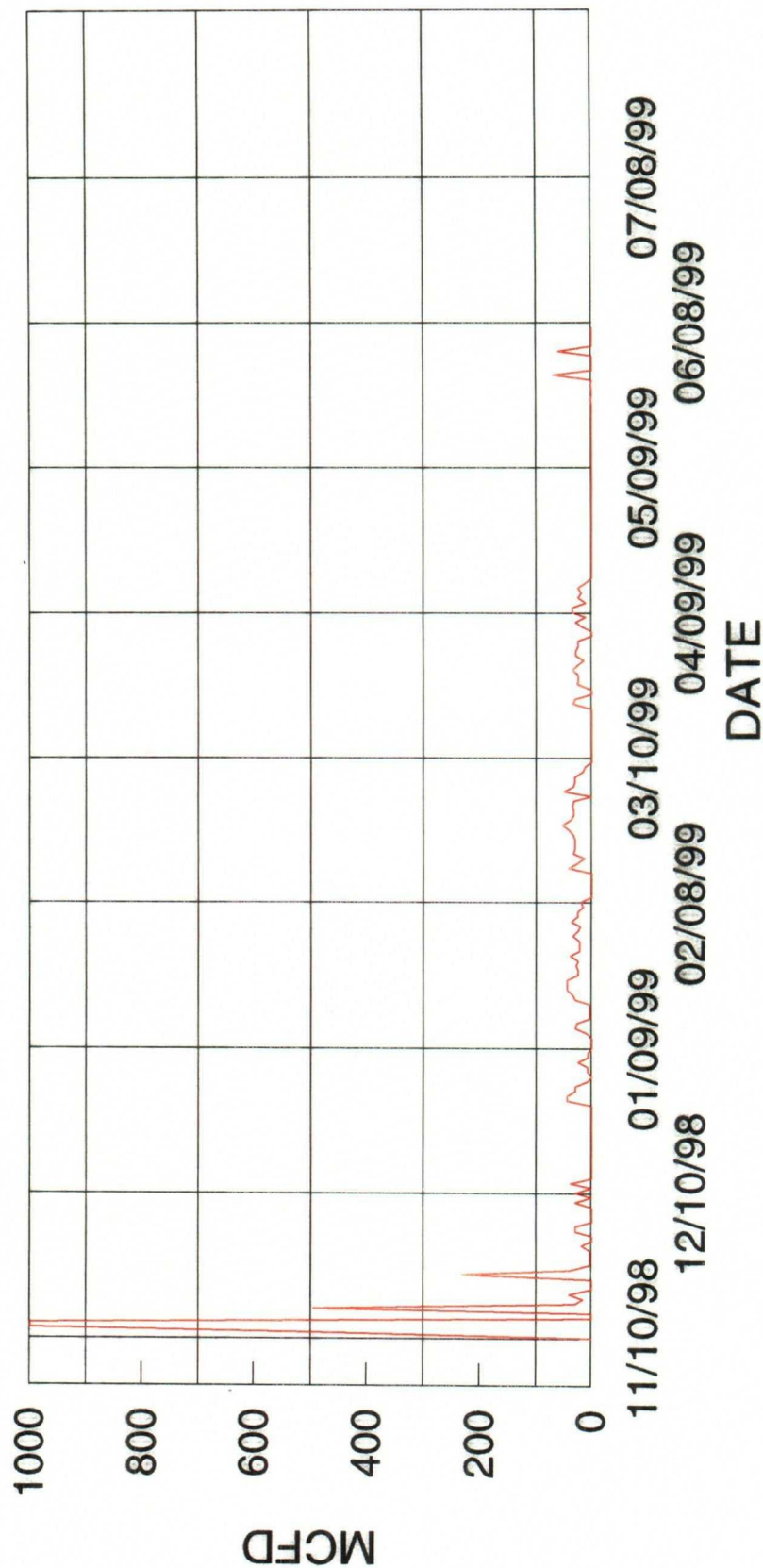
ENERGEN RESOURCES CORP

San Juan 32-5 Unit #13M
Unit I, Section 25, T 32 N, R 6 W
Rio Arriba Co., N.M.

Well Location Plat

SAN JUAN 32 - 5 UNIT #13M

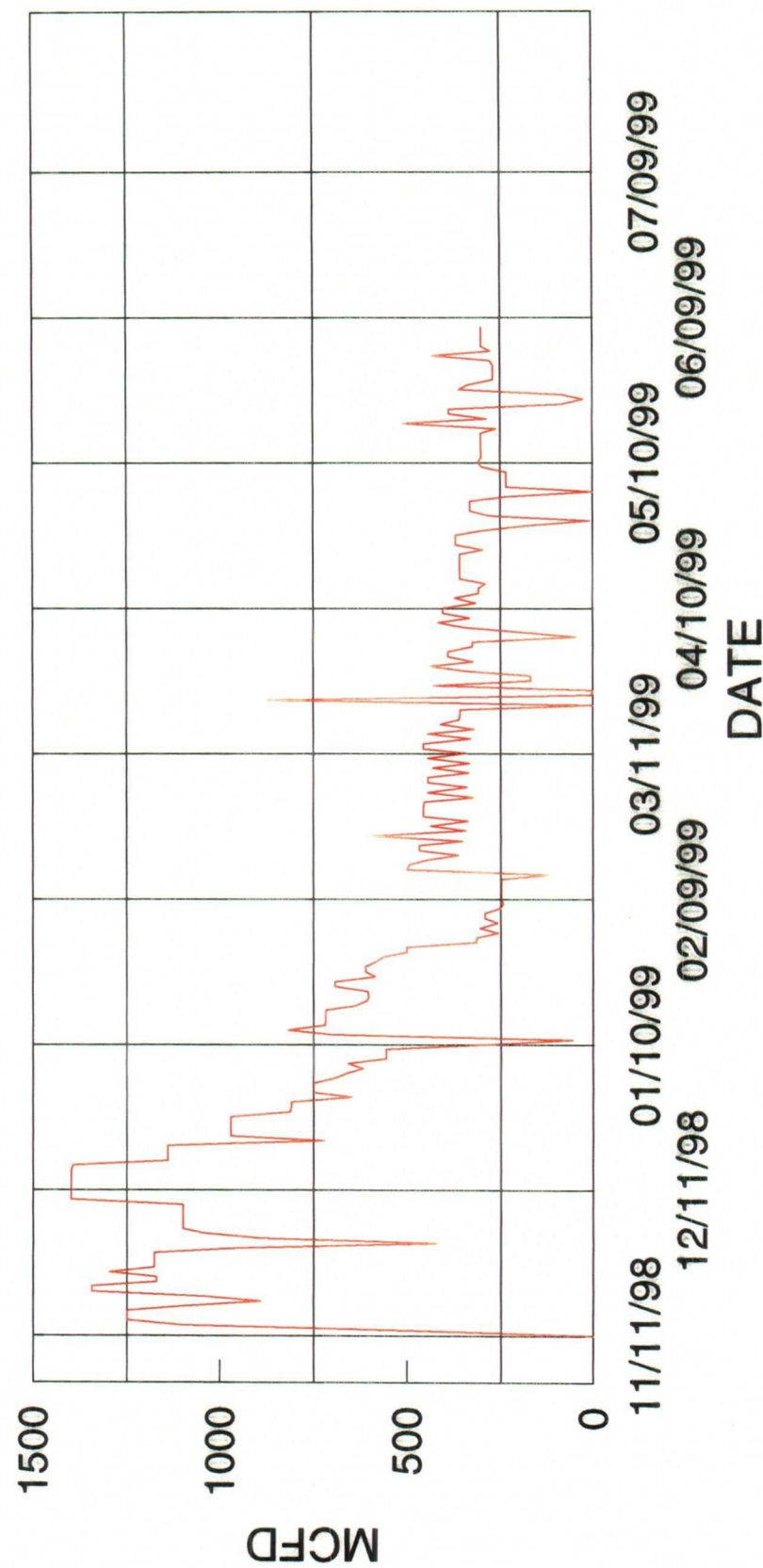
DAILY GAS PRODUCTION PLOT



— DAKOTA

SAN JUAN 32 - 5 UNIT #6A

DAILY GAS PRODUCTION PLOT



— MESAVERDE

San Juan 32-5 Unit #13M

Proposed Allocation Method

Produce total well stream for 30 days following Mesa Verde pay add
Pay Add projected to add 230 MCFD to Mesa Verde flow stream

Total Stream = X

Dakota Stabilized rate = 54 MCFD

DK Allocation = $54 / X$ as a percentage

MV Allocation = $(X - 54) / X$ as a percentage

Oil Allocation- Neither pool produces oil in this area

Rates will be reported to NMOCD- Aztec for final allocation percentage determination

San Juan 32-5 Unit Working Interest Owners

Alan H Kolz Trustee
174 Westgate Circle
Santa Rosa, CA 95401

Antonio Jose Martinez
1612 South Glenmary
Aztec, NM 87410

Barbara Kaiser
7778 Dusk St.
Littleton, CO 80125

Benson Montin Greer
4900 College Blvd.
Farmington, NM 87402

Bonnie L. Hart
5737 E. 22nd Place
Tulsa, OK 74114

Carl Dellinger
3605 Britt NE
Albuquerque, NM 87111

Chase Oil Corporation
PO Box 1767
Artesia, NM 88211-1767

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7882 S. Ogden Court
Littleton, CO 80122

David B. Quintana
RR 1 Box 315
Earth, TX 79031

Dorothea J. Caufield Trust
14647 Ranchview Terrace
Chino Hills, CA 91709-4345

Dorothy Dean Gibbons Estate
Rt 3, PO Box 281
Warsaw, MO 65355

Dr. Curtis Webb Caine
712 Forest Point Drive
Brandon, MS 39042

Dr. Frank Alton Wood
4026 Oakridge Drive
Jackson, MS 39216

Elizabeth Jeanne Calloway
JGT Estate
4801 St. Johns Drive
Dallas, TX 75205-3143

Elizabeth Calloway
4801 St. Johns Drive
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Eugene E. Beatty
F/A/O Eugene E Beatty
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Austin, TX 78711

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Dallas, TX 75206-4079

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Thornton, CO 80221

Lee Ross Allison
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Jackson, MS 39211

San Juan 32-5 Unit Working Interest Owners

Linda D. Cundiff
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Lois Beatty
Attn: Louis Acevedo
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Farmers Branch, TX 75244

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est Palm Beach, FL 33401-8018

Mary Francis Turner, JR TR
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Houston, TX 77216-0890

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Eaton Rapids, MI 48827

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Arthur J. Sanchez
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Ignacio, CO 81137

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West Valley, UT 84120

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Saint Augustine, FL 32084-7422

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Evenston, WY 82930

David A. Miller
Lot #64
Leesburg, VA 20175-3713

Eleanor Bennett
4408 W. 6060 S.
Salt Lake City, UT 84118

Eleanor D. Shira
2001 W. 2nd
Rifle, CO 81650

San Juan 32-5 Unit Working Interest Owners

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PO Box 176
Hesperus, CO 81326

Elliott Industries
PO Box 1355
Roswell, NM 88202

Elliott Hall Company
PO Box 1231
Ogden, UT 84402

Enriques Espinosa Decd
PO Box 704
Pagosa Springs, CO 81147-0704

Eve E. Buchanan
956 Acapulco Court
Colorado Springs, CO 80910

Gayle O'Flattery
2003 Gorham Park Ave.
Billings, MT 59102

Georgia Chavez
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Pagosa Springs, CO 81147

Gerardo L. Sanchez
PO Box 229
Ignacio, CO 81137

H.F. Axtell & Freda Axtell
101 Rio Vista Circle
Durango, CO 81301

John M. Mascarenas
2849 Woodbine Ave.
Fullerton, CA 92635

John Tranquilino Mascarenas
29631 42nd Place S.
Auburn, WA 98001

Jose Salvador Martinez
PO Box 772
Pagosa Springs, CO 81147

Laurie Kramer
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Elko, NV 89801

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Salt Lake City, UT 84115

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Pagosa Springs, CO 81147

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Greenville, NC 27834

Madeline M. Espinosa
718-154 Sycamore Ave.
Vista, CA 92083

Magdalena Espinosa
2001 W. 2nd St. Trlr 1
Rifle, CO 81650-2638

Marty Mascarenaz
3685 Alveron Drive
Bennion, UT 84118

Mary L. Selman
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Farmington, NM 87401

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Salt Lake City, UT 84123-3444

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Kearns, UT 84118

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Cookeville, TN 38503

Ronald M. Miller
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Bayfield, CO 81122

Rosalie Martinez
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Layton, UT 84041

San Juan 32-5 Unit Working Interest Owners

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621 17th St., Suite 805
Denver, CO 80293

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Teresa M. Salazar
7560 Misty Glenn
Boise, ID 83709

Tina Rose
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Kearns, UT 84118

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Bloomfield, NM 87413

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