

4/21/00	5/11/00	DC	KV	DHC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -

2740

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]

[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

RECEIVED  
APR 21 2000  
OIL CONSERVATION DIVISION

[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, ORRJ) 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 BRINK  
 Name or Type Name

*[Signature]*  
 Signature

Production Supt.  
 Title

4/19/00  
 Date



April 19, 2000

Ms. Lori Wrotenbery  
NMOCD  
2040 South Pacheco  
Santa Fe, New Mexico 87505

RE: Administrative Approval to Downhole Commingle  
Energen Resources Corporation  
Jicarilla 97 #6  
1150' FNL, 790' FEL, Sec. 7, T26N, R3W, N.M.P.M.  
Rio Arriba County, New Mexico  
API # 30-039-26261

Dear Ms. Wrotenbery:

Energen Resources Corporation requests Administrative Approval to add the Wild Horse Gallup and downhole commingle it with the Basin Dakota in the subject well. Open hole log results show potential in the Gallup Formation similar to offset producing wells. Since the Gallup will produce a small amount of oil, it is felt that the Dakota flowstream will assist in lifting the Gallup fluids and prevent premature abandonment of the Gallup Pool.

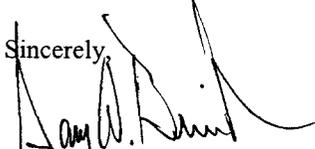
To comply with New Mexico Oil Conservation Rules, Energen Resources Corporation, is submitting the following data for your approval of the proposed commingling:

1. For C107A – Application for Downhole Commingle
2. C102 – Location plat showing each spacing unit and dedicated acreage
3. Production type curves for both the Gallup and Dakota
4. Offset operator plat
5. Well location plat
6. Proposed allocation method

In accordance to New Mexico Oil Conservation Division Rule 303C, all offset operators 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,

  
Gary W. Brink  
Production Superintendent

GWB/mp

cc: NMOCD – Aztec, BLM – Albuquerque, Offset Operators  
Jic97 6 4-00.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

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

**OIL CONSERVATION DIVISION**

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

APPROVAL PROCESS:

Administrative  Hearing

EXISTING WELLBORE

YES  NO

**APPLICATION FOR DOWNHOLE COMMINGLING**

ENERGEN RESOURCES CORPORATION 2198 Bloomfield Highway, NM 87401  
Operator Address

Jicarilla 97 6 D Sec. 7 T26N R3W Rio Arriba, NM  
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

OGRID NO. 162928 Property Code 21939 API NO. 30-039-26261 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	Wild Horse Gallup 87360		Basin DK 71599
2. Top and Bottom of Pay Section (Perforations)	6829-7434		7822-7840
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) Not Completed	a.	a. 1453 Calc
	b. (Original) 1400 est	b.	b. 1575 Calc
6. Oil Gravity ( <sup>o</sup> API) or Gas BTU Content)	1200 BTU		1192 BTU
7. Producing or Shut-In?	Not Completed		Producing
Production Marginal? (yes or no)	Yes		No
* 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: Rates: Not Completed	Date: Rates:	Date: 4/17/2000 Rates: 3/235/.2
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % Gas: %	Oil: % Gas: %	Oil: % Gas: %

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  No

11. 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  No

13. Will the value of production be decreased by commingling?  Yes  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.  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 4/19/2000

TYPE OR PRINT NAME Gary W. Brink TELEPHONE NO. ( 505 ) 325-6800

District II  
 PO Cramer Co., Artesia, NM 88211-0719

District III  
 1000 Rio Brazos Rd., Artesia, NM 87410

District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

ADVANCED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-26261		*Pool Code 87360/-71599	*Pool Name Wild Horse Gallup-Eastern Dakota
*Property Code 21939	*Property Name JICARILLA 97		*Well Number 6
*OSPID No. 162925	*Operator Name ENERGEN RESOURCES CORPORATION		*Elevation 6921'

# Surface Location

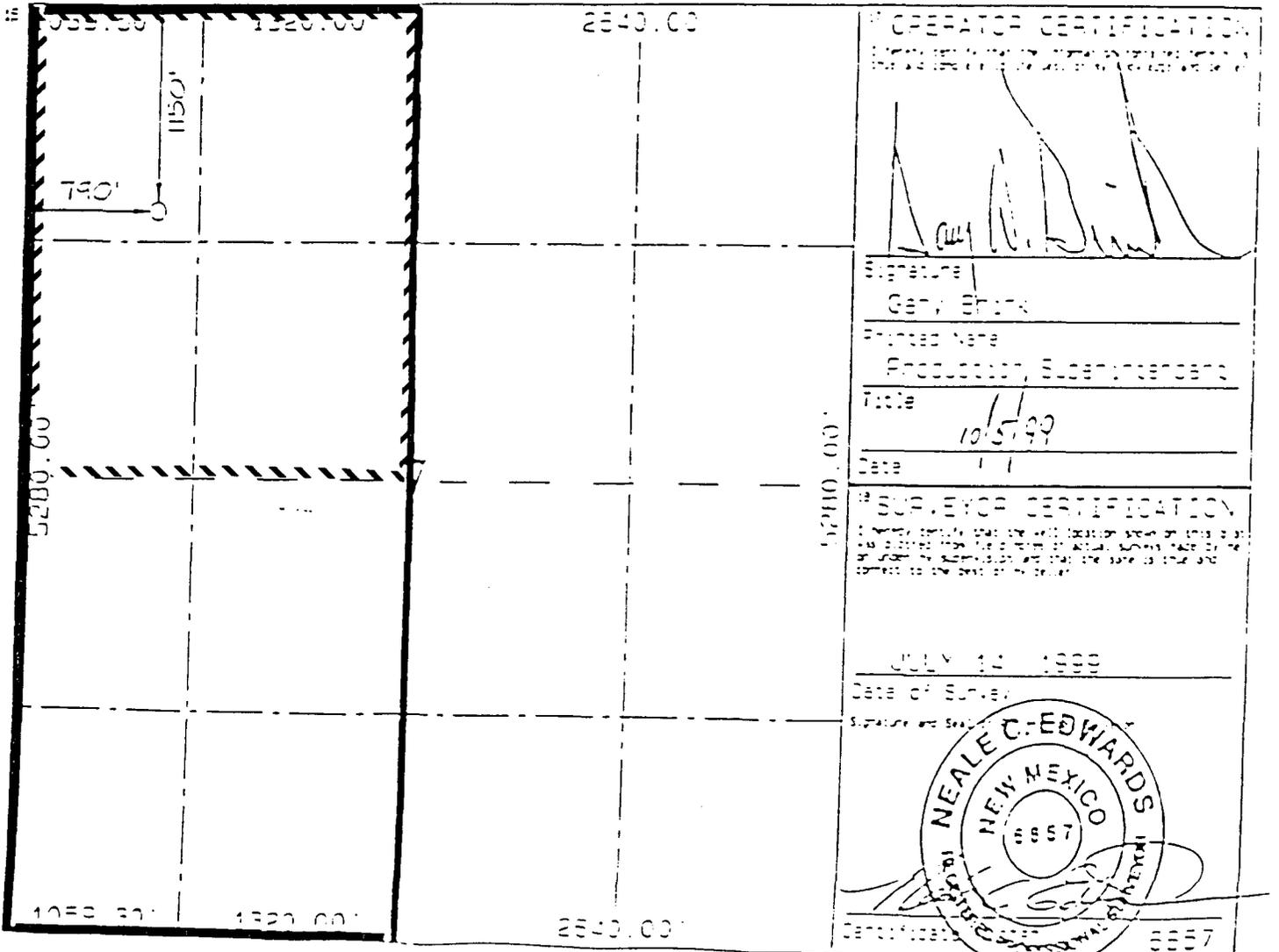
U. of lot no.	Section	Township	Range	Lot No.	Feet from the	North-South Line	Feet from the	East-West Line	County
0	7	28N	3W		1150	NORTH	790	WEST	RIO ARriba

# Bottom Hole Location If Different From Surface

U. of lot no.	Section	Township	Range	Lot No.	Feet from the	North-South Line	Feet from the	East-West Line	County

*Dedicated Acres 144.4 / 288.8	*Point of Entry	*Dedication Date	*Comments
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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.



# OPERATOR CERTIFICATION  
 I hereby certify that the well location shown on this plat is correct to the best of my belief.

*Gary Brink*  
 Signature

Gary Brink  
 Printed Name

Production Superintendent  
 Title

10/5/99  
 Date

# SUPERVISOR CERTIFICATION  
 I hereby certify that the well location shown on this plat is correct to the best of my belief.

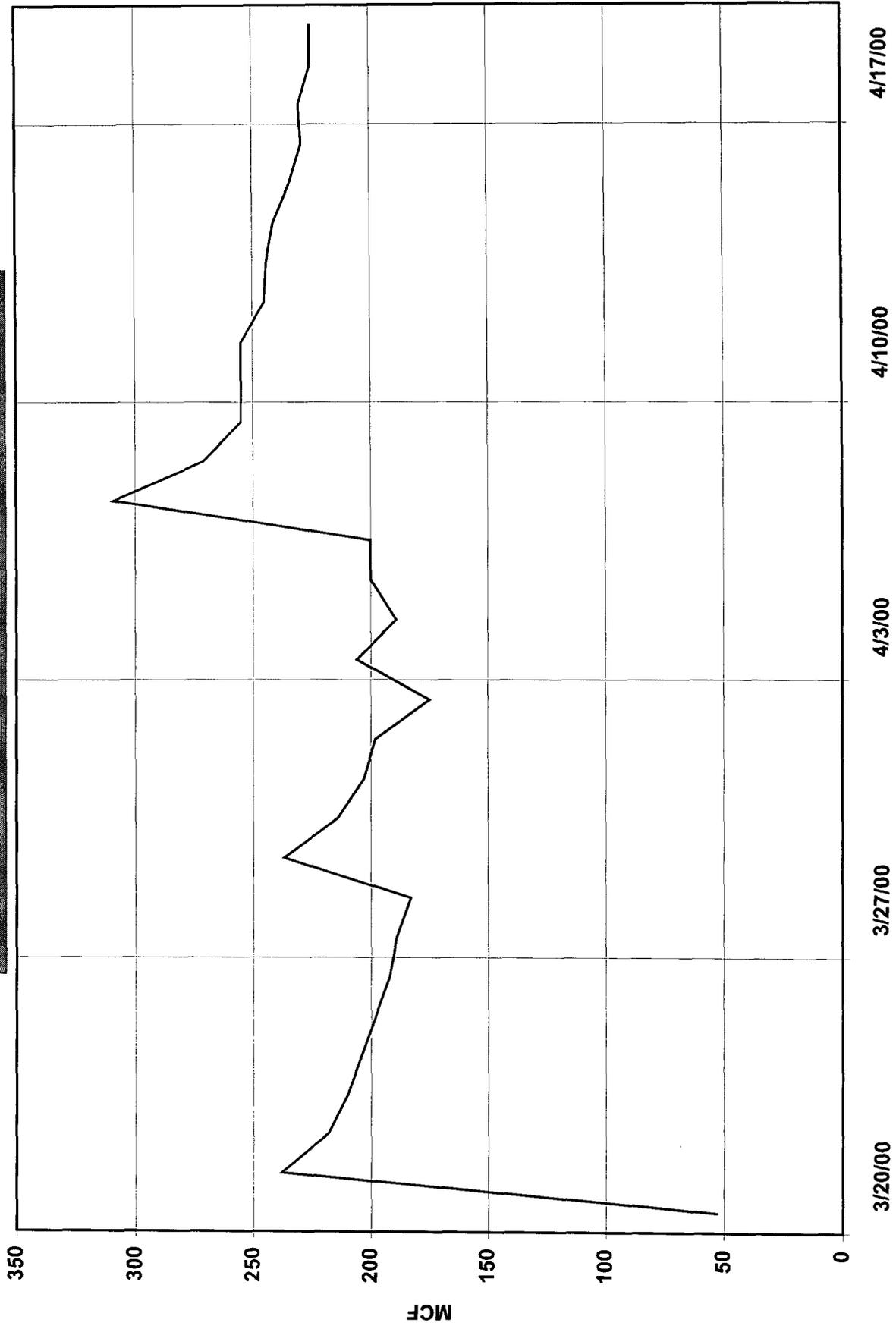
*[Signature]*  
 Date of Survey  
 JULY 14 1999

NEALE C. EDWARDS  
 NEW MEXICO  
 8857

8857  
 8857

# JICARILLA 97 6

DAILY GAS PRODUCTION PLOT



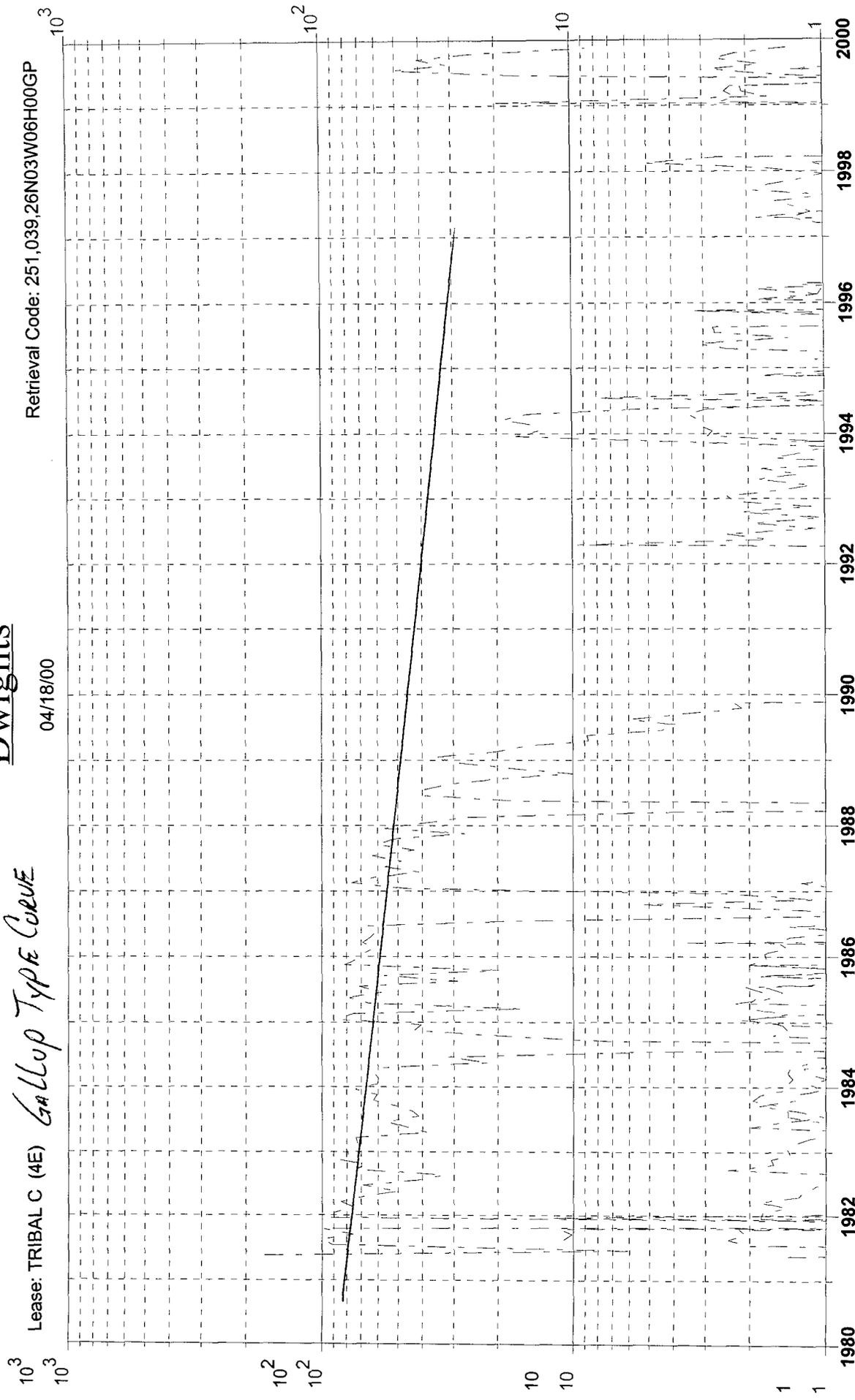
---- DAKOTA ---- TOTAL

# Dwights

Lease: TRIBAL C (4E) Gallup Type Curve

04/18/00

Retrieval Code: 251,039,26N03W06H00GP



Gas (mcf/day) ---

Water (bbl/day) - - -

Oil (bbl/day) - - -

County: RIO ARRIBA, NM	F.P. Date: 05/81
Field: WILD HORSE (GALLUP) GP	Oil Cum: 3017 bbl
Reservoir: GALLUP	Gas Cum: 154.6 mmcf
Operator: GREYSTONE ENERGY INC	Location: 6H 26N 3W

# Dwights

Gallup Type Curve

10<sup>3</sup>  
10<sup>3</sup>

Lease: TRIBAL C (1E)

04/18/00

Retrieval Code: 251,039,26N03W06F00GP

10<sup>3</sup>

10<sup>2</sup>  
10<sup>2</sup>

10<sup>2</sup>

10  
10

10

1  
1

1980

1982

1984

1986

1988

1990

1992

1994

1996

1998

2000

Gas (mcf/day)

Oil (bbl/day)

Water (bbl/day)

County: RIO ARRIBA, NM

F.P. Date: 05/86

Field: WILD HORSE (GALLUP) GP

Oil Cum: 1260 bbl

Reservoir: GALLUP

Gas Cum: 100.0 mmcf

Operator: GREYSTONE ENERGY INC

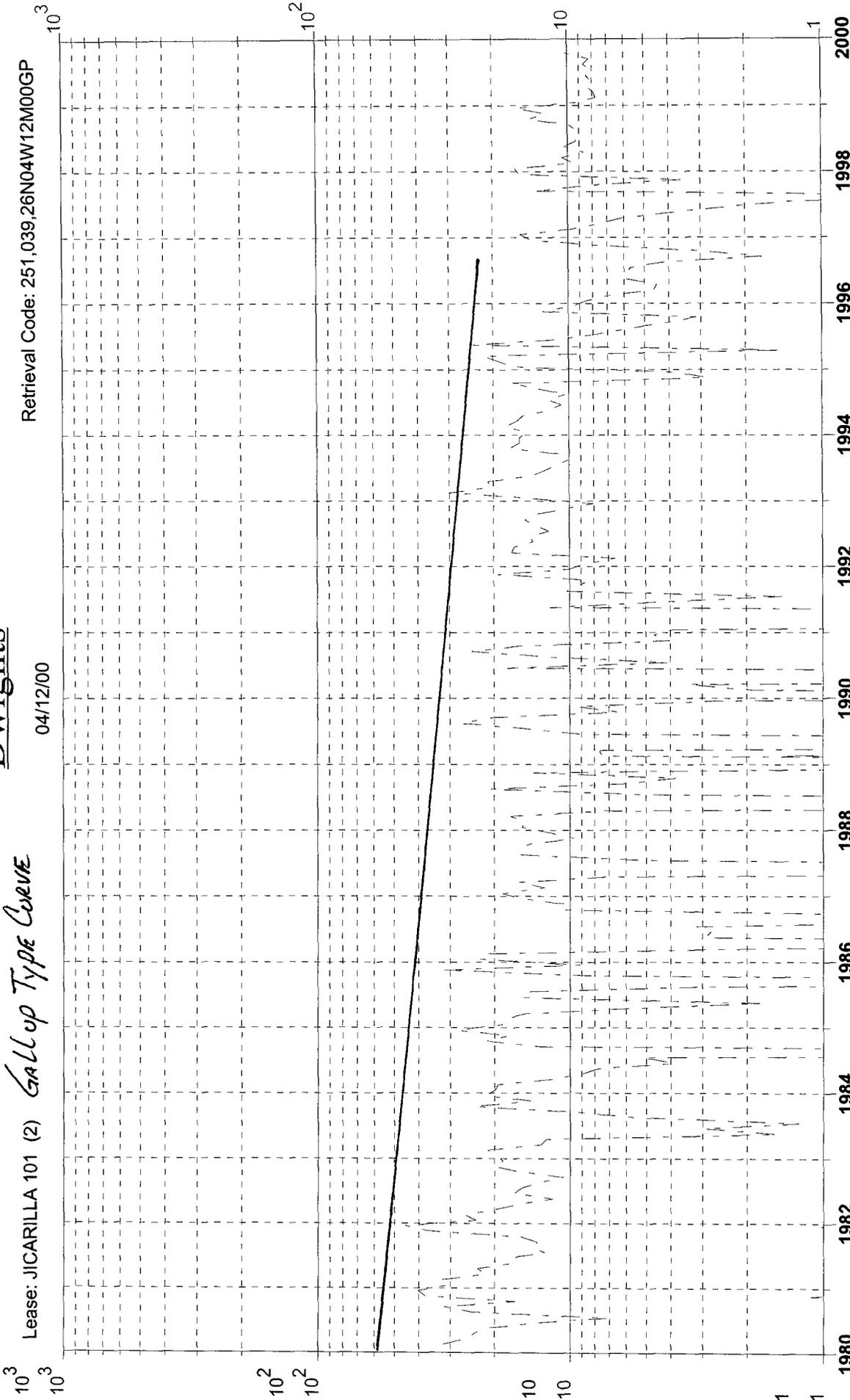
Location: 6F 26N 3W

# Dwights

Lease: JICARILLA 101 (2) *Gallup Type Curve*

04/12/00

Retrieval Code: 251,039,26N04W12M00GP



Gas (mcf/day) ---

Water (bbl/day) ---

Oil (bbl/day) ---

County: RIO ARRIBA, NM

F.P. Date: 03/70

Field: WILD HORSE (GALLUP) GP

Oil Cum: 1101 bbl

Reservoir: GALLUP

Gas Cum: 264.1 mmcf

Operator: BURLINGTON RES O&G CO

Location: 12M 26N 4W