

ABOVE THIS LINE FOR DIVISION USE ONLY

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



**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]

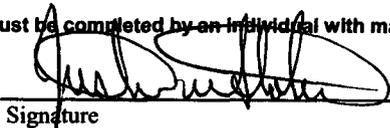
- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]  
 [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD  
  
 Check One Only for [B] or [C]  
 [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM  
  
 [C] Injection - Disposal - Pressure Increase - Enhanced 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]  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

2006 DEC 14 PM 2:30

[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.

Justin Stolworthy  DISTRICT ENGINEER 12-8-06  
 Print or Type Name Signature Title Date  
 Just.Stolwar@ENERGEN.com  
 e-mail Address

December 8, 2006

Mr. Mark E. Fesmire, P.E. - Director  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

RE: Administrative Approval to Downhole Commingle  
Energen Resources Corporation  
Jicarilla 95 #3B  
780' FSL, 1770' FWL, Section 35, T27N, R3W, NMPM  
Rio Arriba County, New Mexico

Dear Mr. Fesmire:

Energen Resources Corporation requests administrative approval to downhole commingle the Blanco Mesa Verde (MV), and WC27N3W35; Mancos pools in the subject well. It is our intent to commingle the two zones to increase the economic potential of this well. The well is currently on a plunger lift system, and we believe changing to a beam pump would be the most economical method to recover gas and oil from the subject well with the amount of oil recovery anticipated.

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

1. C-107A - Application for Downhole Commingling
2. C-102 - Location plat showing each spacing unit and dedicated acreage
3. Offset Operator Ownership Plat
4. Production curves from the current well in the following zone:
  - i) Blanco Mesa Verde
  - ii) WC27N3W35; Mancos
5. Allocation method

In accordance to New Mexico Oil Conservation Division Rule 303C, Energen Resources has notified all offset operators.

If additional information is needed, please contact me at 505-325-6800.

Sincerely,

  
Justin M. Stolworthy  
District Engineer II

xc:

NMOCD – Aztec District Office  
BLM- FFO notified via Federal Sundry Notice 3160-5 and sent NMOCD form C-107A

District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
1301 W. Grand Avenue, Artesia, NM 88210

District III  
Well  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.

APPLICATION TYPE  
 X  Single

Santa Fe, New Mexico 87505

Establish Pre-Approved Pools  
EXISTING WELLBORE

APPLICATION FOR DOWNHOLE COMMINGLING  X  Yes   No

Energen Resources

2198 Bloomfield Highway, Farmington, New Mexico 87401

DHC-3835

Operator Jicarilla 95 3B Address N Section 35, T27N, R3W N.M.P.M Rio Arriaba  
Lease 162928 Well No. 21289 Unit Letter-Section-Township-Range 30-039-26550 County X  
OGRID No. Property Code API No. Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blanco Mesaverde	N/A	WC27N3W35; Mancos
Pool Code	72319	N/A	97058
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5561' to 6082'	N/A	7435' to 7450'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	N/A	Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	N/A within 150%	N/A	N/A within 150%
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1,238 BTU	N/A	1,328BTU
Producing, Shut-In or New Zone	Producing	N/A	Shut-In
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: 12/7/06 Rates: 0.5 BOPD/180 MCFPD/1.0 BWPD	Date: N/A Rates: N/A	Date: 12/03/01 Rates: 3 BOPD/30 MCFPD/5.0 BWPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 17 % Gas 86 %	Oil N/A % Gas N/A %	Oil 83 % Gas 14 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes  X  No    
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes   No

Are all produced fluids from all commingled zones compatible with each other? Yes  X  No

Will commingling decrease the value of production? Yes   No  X

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes  X  No

NMOC Reference Case No. applicable to this well: \_\_\_\_\_

- 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 working, royalty and overriding royalty interests for uncommon interest cases.
  - Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Justin M. Stolworthy TITLE District Engineer DATE 12-11-2006  
TYPE OR PRINT NAME Justin M. Stolworthy TELEPHONE NO. ( 505 ) 325-6800  
E-MAIL ADDRESS jstolwor@energen.com

**District I**  
1625 N. French Dr., Hobbs, NM 88240

**District II**  
1301 W. Grand Avenue, Artesia, NM 88210

**District III**  
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**District IV**  
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State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-039-26550		<sup>2</sup> Pool Code 72319/97058		<sup>3</sup> Pool Name Blanco Mesaverde/ WC27N3W35; Mancos	
<sup>4</sup> Property Code 21289		<sup>5</sup> Property Name Jicarilla 95			<sup>6</sup> Well Number 3B
<sup>7</sup> OGRID No. 162928		<sup>8</sup> Operator Name Energen Resources Corporation			<sup>9</sup> Elevation 7145'

<sup>10</sup> Surface Location

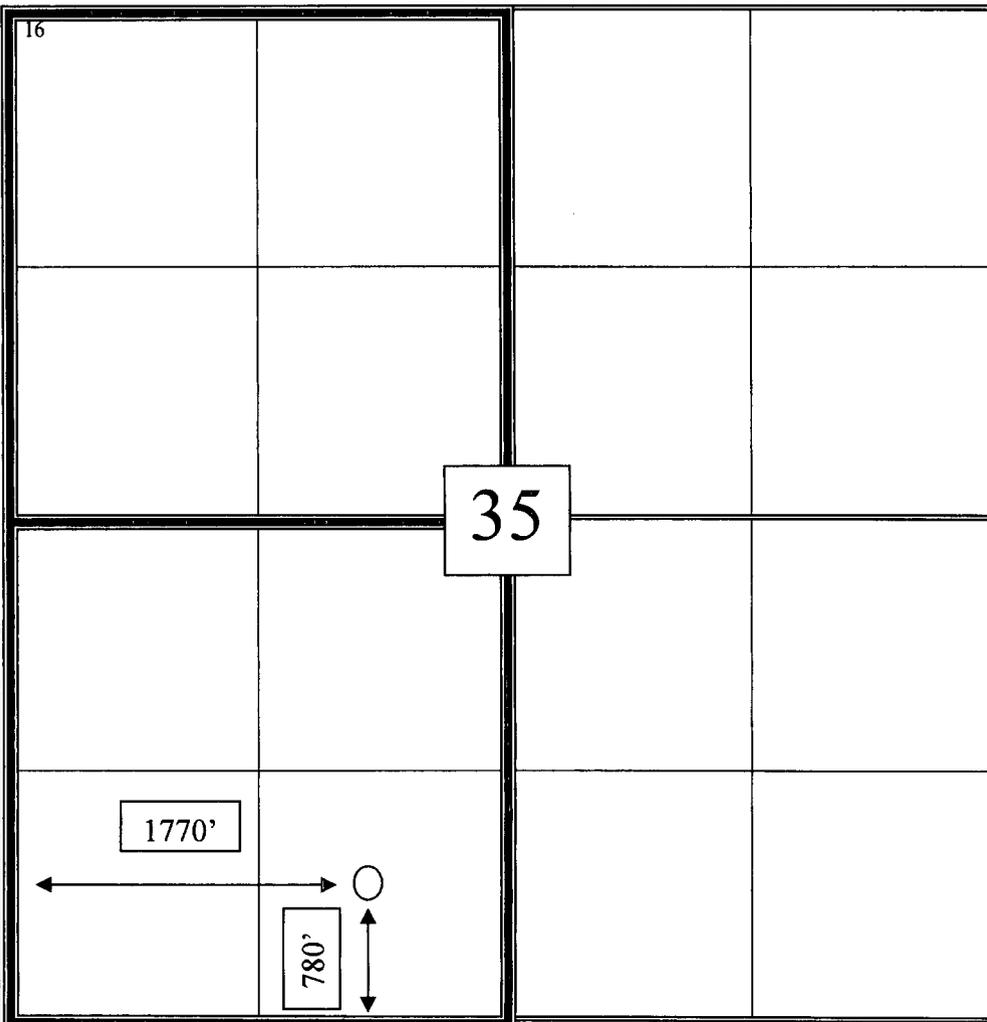
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	35	27N	3W		780'	South	1770'	West	Rio Arriba

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 320/160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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



<sup>17</sup> OPERATOR CERTIFICATION

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

*Justin M. Stolworthy*  
Signature

Justin M. Stolworthy  
Printed Name

District Engineer jstolwor@energen.com  
Title and E-mail Address

Date

<sup>18</sup> 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.

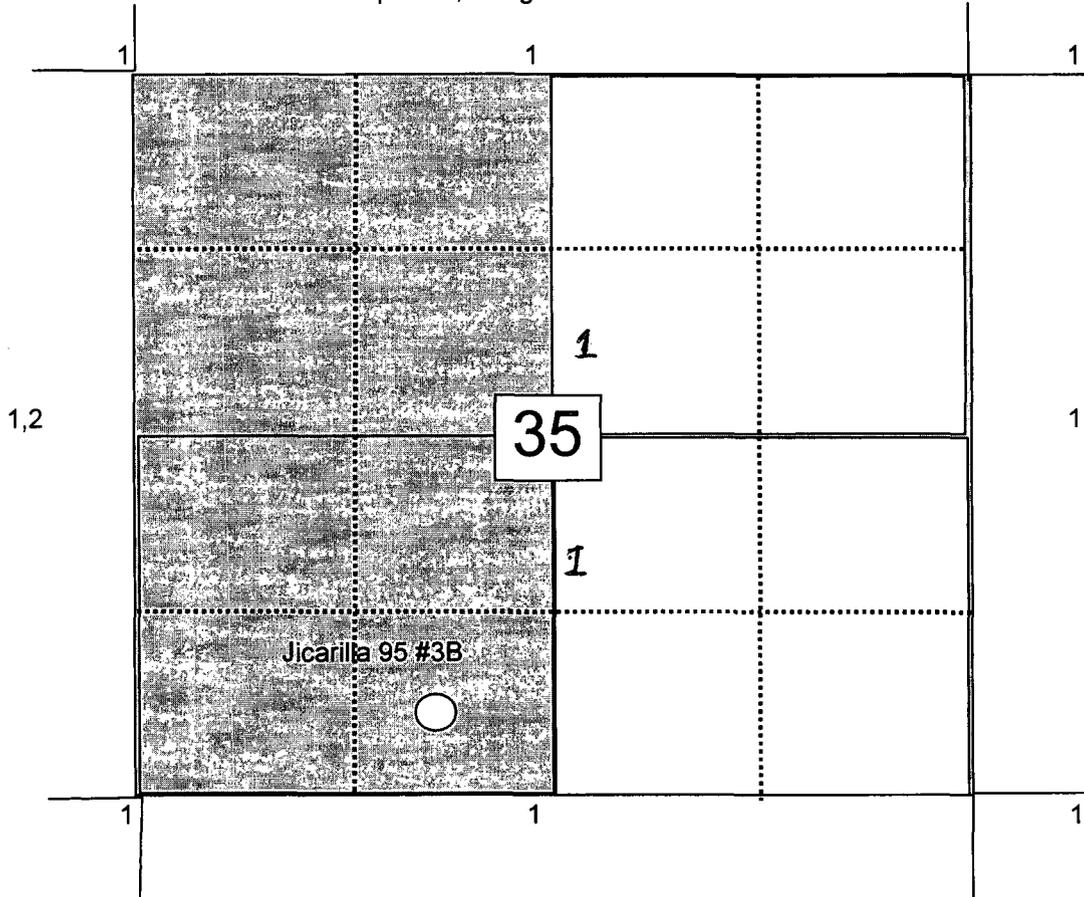
June 29, 2000  
Date of Survey

Signature and Seal of Professional Surveyor:  
Neale C. Edwards

NM 6857  
Certificate Number

Energen Resources Corp.  
Jicarilla 95 #3B  
Offset Operator/ Ownership Plat  
Blanco Mesa Verde/WC27N3W35; Mancos  
Downhole Commingling

Township 27 N, Range 3 W



- 1) Energen Resources
- 2) Williams Production

Notification list of Working, Royalty, and overriding royalty interests

1) Royalty

Jicarilla Apache Tribe  
P.O. Box 507  
Dulce, NM 87528

Notification list of Offset Operators

1) Williams Production  
Attn: Doug Bird  
One Williams Center  
PO Box 3102, MS 25-2  
Tulsa, Oklahoma 74101

0549 9659 2000 029T 5007  
7005 1A20 0002 8596 8450

U.S. Postal Service  
**CERTIFIED MAIL™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

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Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark  
Here

Sent To Williams Production  
Street, Apt. No.,  
or PO Box No. P.O. Box 3102, MS 25-2  
City, State, ZIP+4 Tulsa OK 74101

COPY - original sent to USBLM

Form 3160-5  
(April 2004)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
Energen Resources

3a. Address  
2198 Bloomfield Hwy, Farmington, NM 87401

3b. Phone No. (include area code)  
505-325-6800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
780' FSL 1770' FWL Sec 35, T27N, R3W, NMPM

5. Lease Serial No.  
Jicarilla 95

6. If Indian, Allottee or Tribe Name  
Jicarilla Apache

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
Jicarilla 95 #3B

9. API Well No.  
30-039-26550

10. Field and Pool, or Exploratory Area  
Blanco MV/ WC27N3W35; Mancos

11. County or Parish, State  
Rio Arriba, NM

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>DHC</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>Blanco Mesaverde/ WC27N3W35; Manc.</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<b>WC27N3W35; Manc.</b>

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**Energen Resources Corporation requests administrative approval to downhole commingle the Blanco Mesa Verde (MV), and WC27N3W35; Mancos pools in the subject well. It is our intent to commingle the two zones to increase the economic potential of this well. The well is currently on a plunger lift system, and we believe changing to a beam pump would be the most economical method to recover gas and oil from the subject well with the amount of oil recovery anticipated.**

- MIRU and POOH with tubing strings.
- TIH with work string and clean out with mill past CIBP and WC27N3W35; Mancos perforations to lower CIBP.
  - CIBP set @ 6538'
  - Perforations set @ 7435'-7450'
  - CIBP set @ 7705'
- TOH with work string and mill.
- TIH w/ 2-3/8" production tubing to WC27N3W35; Mancos Mid-perforations or there about.
- Swab well in and place on artificial lift.
- Based on historical production allocation for gas is 86% Mesa Verde, 14% WC27N3W35; Mancos. Oil will be allocated 17% Mesa Verde, 83% WC27N3W35; Mancos.

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Justin Stolworthy

Title District Engineer

Signature

Date 12-11-2006

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

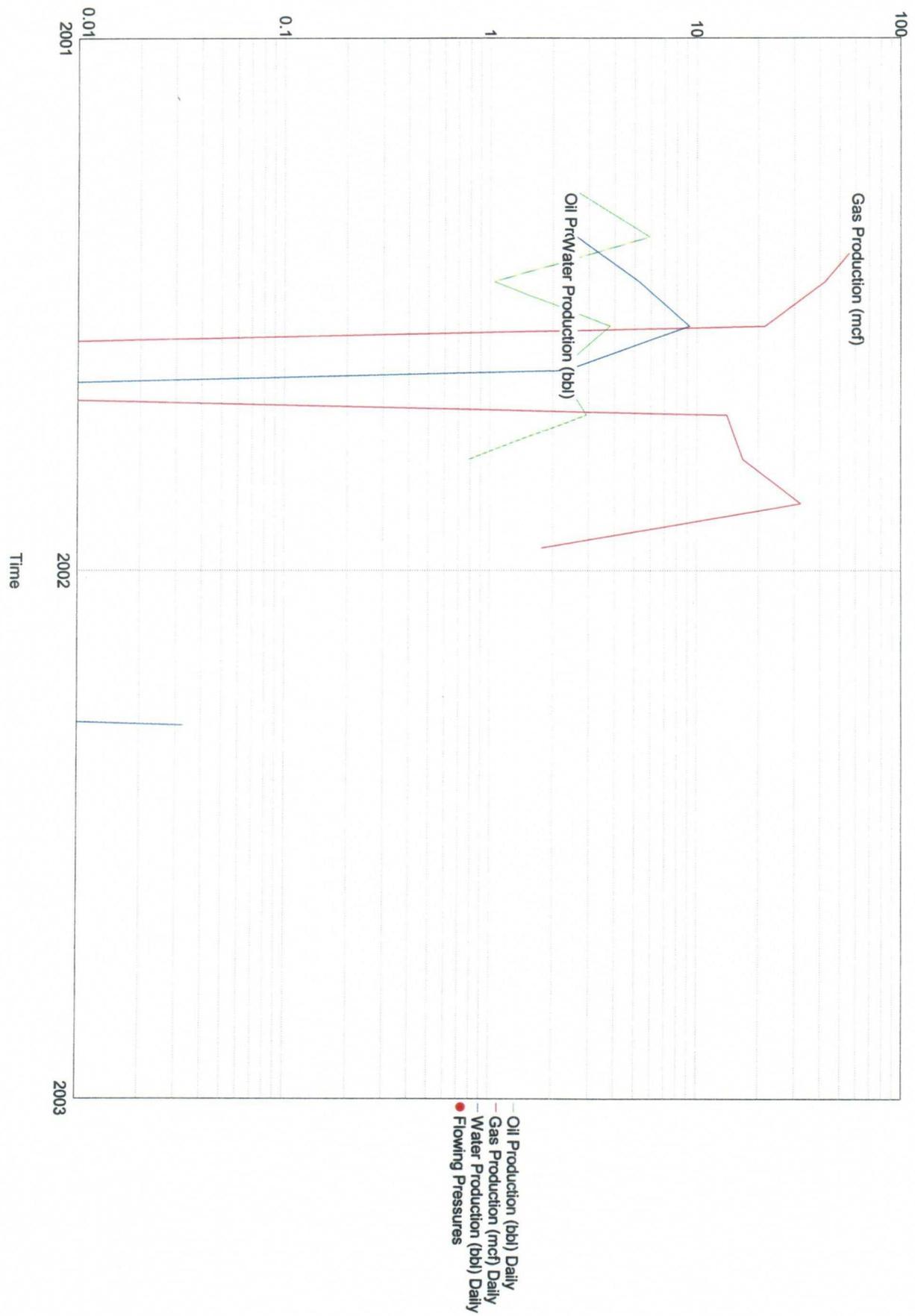
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Lease Name: JICARILLA 95  
 County, State: RIO ARBA, NM  
 Operator: ENERGEN RESOURCES CORPORATION  
 Field: WILDCAT  
 Reservoir: MANCOS  
 Location: 35 27N 3W NW SE SW

JICARILLA 95 - WILDCAT 3B

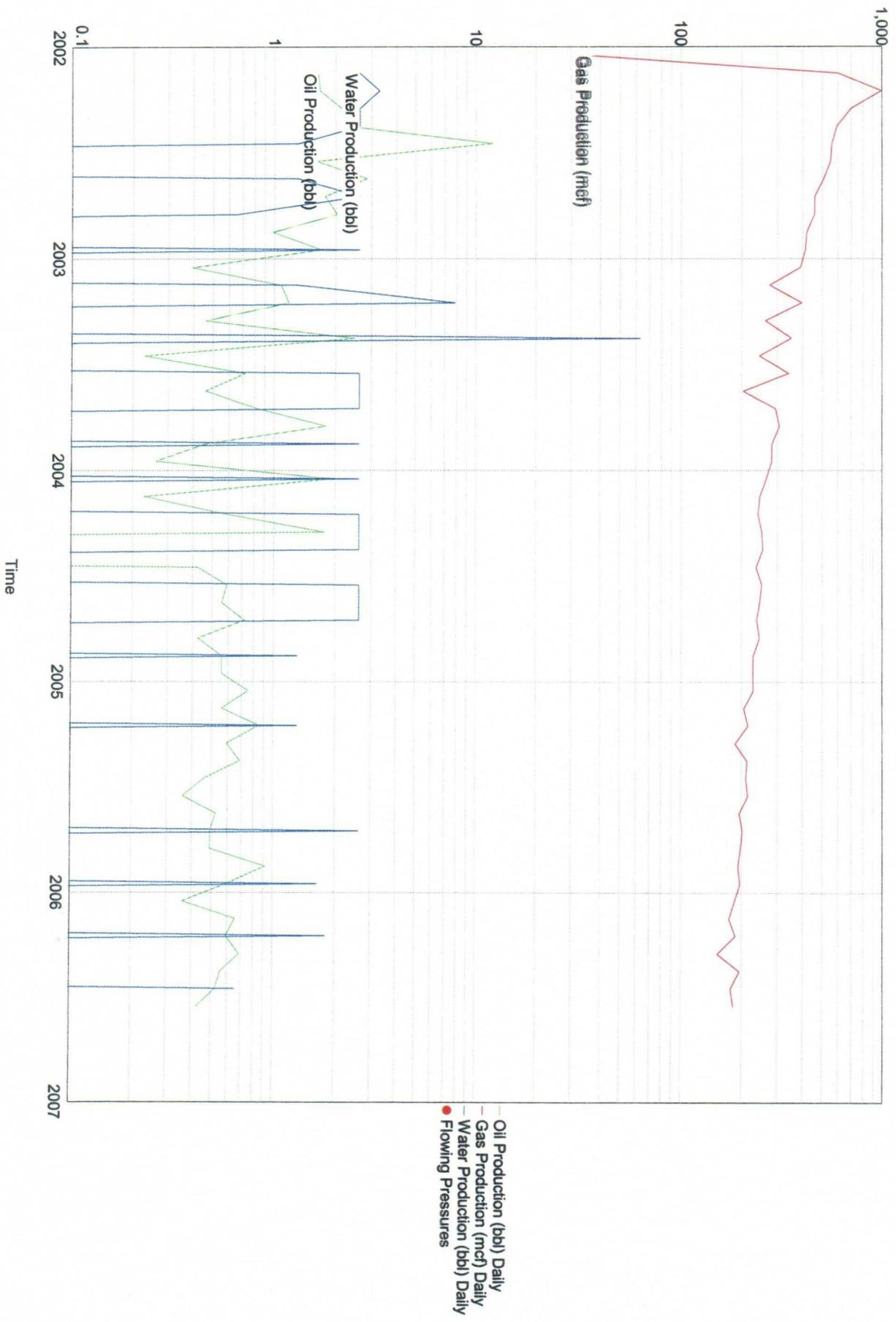
Production Rates



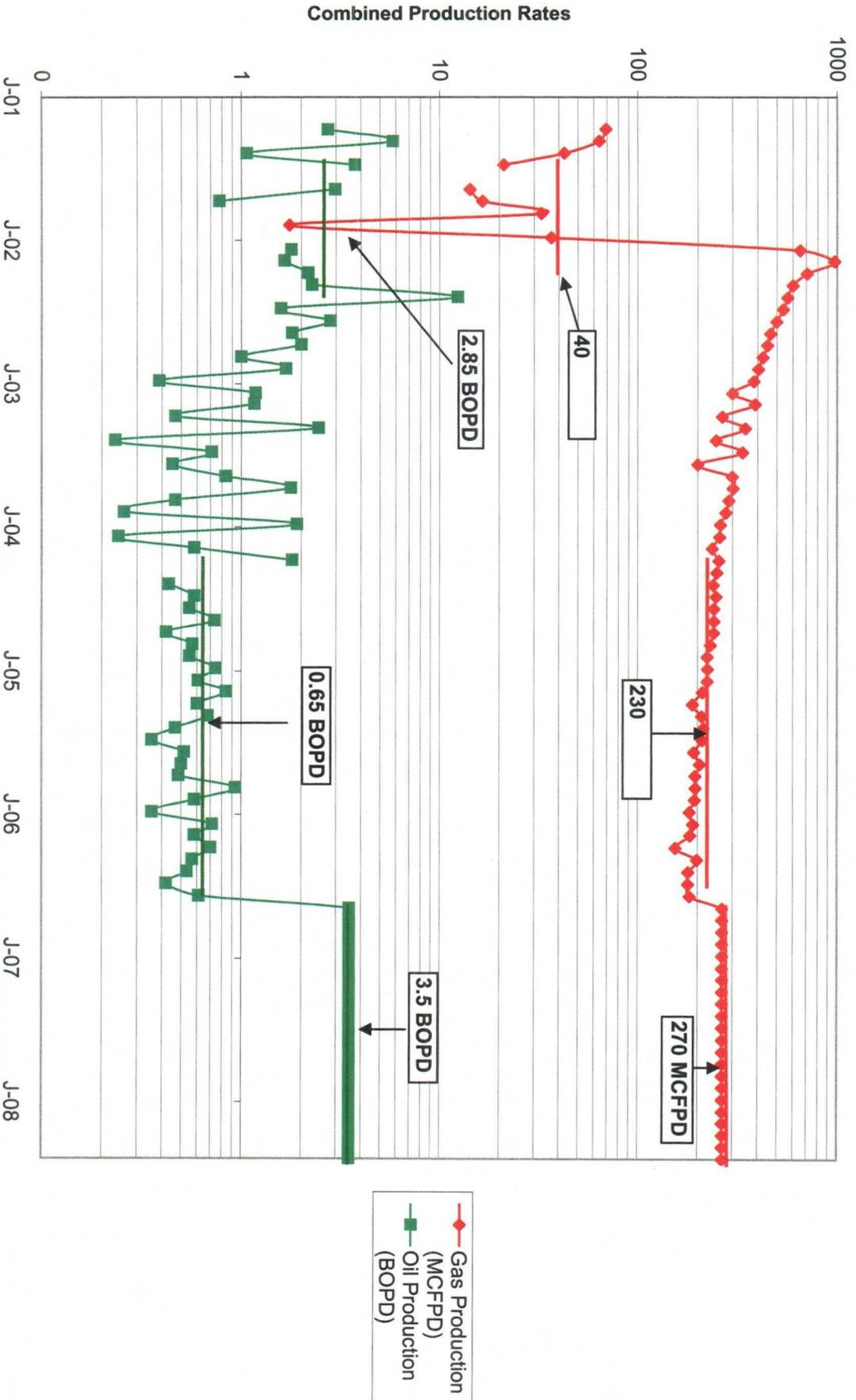
Lease Name: JICARILLA 95  
 County, State: RIO ARBA, NM  
 Operator: ENERGEN RESOURCES CORPORATION  
 Field: BLANCO  
 Reservoir: MESAVERDE  
 Location: 35 27N 3W NW SE SW

JICARILLA 95 - BLANCO 3B

Production Rates



Jicarilla 95 #3B Blanco MV/ WC27N3W35; Mancos



## Recommended Allocation Method

1. MIRU and POOH with tubing strings.
2. TIH with work string and clean out with mill past CIBP and WC27N3W35; Mancos perforations to lower CIBP.
  - i) CIBP set @ 6538'
  - ii) Perforations set @ 7435'-7450'
  - iii) CIBP set @ 7705'
3. TOH with work string and mill.
4. TIH w/ 2-3/8" production tubing to WC27N3W35; Mancos Mid-perforations or there about.
5. Swab well in and place on artificial lift.
6. Based on historical production allocation for gas is 86% Mesa Verde, 14% WC27N3W35; Mancos. Oil will be allocated 17% Mesa Verde, 83% WC27N3W35; Mancos.

Note: see enclosed production graphs: