

DATE IN <u>2-3-10</u>	SUSPENSE	ENGINEER <u>Jones</u>	LOGGED IN <u>2-3-10</u>	TYPE <u>DHC</u>	PTG-W APP NO. <u>1003448102</u>
-----------------------	----------	-----------------------	-------------------------	-----------------	------------------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Energen Res.

Cullis Fed. #6

ADMINISTRATIVE APPLICATION CHECKLIST

30-039-25394

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

[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.

Martin Cabrera [Signature] District Engineer 1/27/10
 Print or Type Name Signature Title Date
mcabrera@energen.com
 e-mail Address

2010 FEB - 3 A 11:52
 RECEIVED OOD



January 27, 2010

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
Cullins Federal #6
1510' FSL, 2390' FEL, Section 04, T24N, R03W, NMPM
Rio Arriba County, New Mexico

Dear Mr. Fesmire:

Energen Resources Corporation requests administrative approval to downhole commingle the South Blanco Picture Cliffs and West Lindrith Gallup Dakota pools in the subject well. The well is currently producing with a Pump Jack, therefore, we'll continue to produce this well with a beam pump.

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. Allocation method

In accordance to New Mexico
Oil Conservation Division Rule 303C, Energen Resources will notify all Offset operators.

If additional information is needed, please contact me at 505-324-4122.

Sincerely,

A handwritten signature in black ink, appearing to read "Martín Cabrera", written over a horizontal line.

Martín Cabrera
District Engineer

xc:

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

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

Oil Conservation Division
1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

APPLICATION TYPE
 X Single

____ Establish Pre-Approved Pools
EXISTING WELLBORE
 X Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Energen Resources

2010 Afton Place, Farmington, New Mexico 87401

PHC-4251

Operator
Cullins Federal

6

Address
J Section 04, T24N, R3W N.M.P.M

Rio Arriba

Lease	Well No.	Unit Letter-Section-Township-Range			County
162928	6934	30-039-25394			X
OGRID No.	Property Code	API No.	Lease Type:	Federal	State
					Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	South Blanco Picture Cliffs	N/A	W Lindrith Gallup Dakato
Pool Code	72439	N/A	39189
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3360' to 3390'	N/A	7583' to 7775'
Method of Production (Flowing or Artificial Lift)	Artificial Lift – Pump Jack	N/A	Artificial Lift – Pump Jack
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)	1,341 BTU	N/A	1,341 BTU
Producing, Shut-In or New Zone	New Zone	N/A	Producing
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: N/A Rates: N/A	Date: N/A Rates: N/A	Date: 01/2010 Rates: 1.5 BOPD/ 30 MCFPD/0.2 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 Gas % N/A	Oil N/A Gas N/A % %	Oil Gas 100 % N/A

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes___X___ No___
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

NMOCD 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 M. H. H. H. TITLE District Engineer DATE 1/27/08

TYPE OR PRINT NAME Martín Cabrera TELEPHONE NO. (505) 324-4122

E-MAIL ADDRESS mcabrera@energen.com

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-25394	² Pool Code 39189	³ Pool Name W Lindrith Gallup Dakota
⁴ Property Code 6934	⁵ Property Name Cullins Federal	⁶ Well Number 6
⁷ OGRID No. 162928	⁸ Operator Name Energen Resources Corporation	⁹ Elevation 7057'

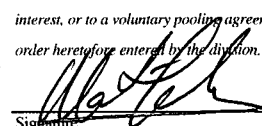
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	4	24N	3W		1510'	South	2390'	East	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 Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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.

¹⁶	<div><div>04</div><div><div><div><div></div><div>1510'</div></div><div><div>2390'</div></div></div></div></div>	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <div><div></div><div>1/27/2010</div></div> <div><div>Signature</div><div>Date</div></div> <div><div>Martín Cabrera</div><div>Printed Name</div></div>
		¹⁸ SURVEYOR CERTIFICATION <i>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.</i> On file Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-25394	² Pool Code 72439	³ Pool Name South Blanco Pictured Cliffs
⁴ Property Code 6934	⁵ Property Name Cullins Federal	⁶ Well Number 6
⁷ OGRID No. 162928	⁸ Operator Name Energen Resources Corporation	⁹ Elevation 7057'

¹⁰ Surface Location

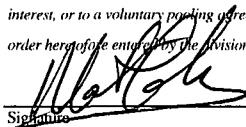
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	4	24N	3W		1510'	South	2390'	East	Rio Arriba

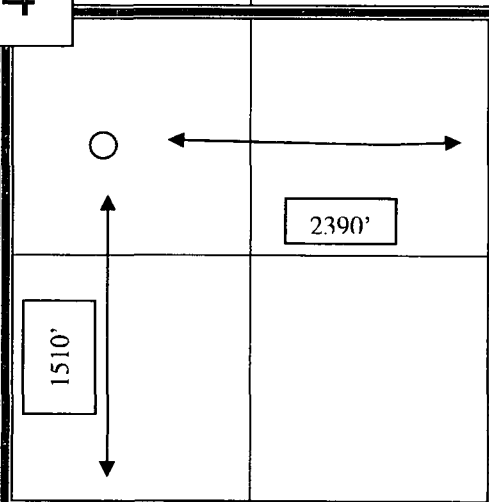
¹¹ Bottom Hole Location If Different From Surface

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

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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.

¹⁶			¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.</i>  _____ Signature 1/27/2010 _____ Date Martin Cabrera _____ Printed Name
			¹⁸ SURVEYOR CERTIFICATION <i>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.</i> On file _____ Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Certificate Number

04


Allocation Method: Cullins Federal #6

Energen Resources plans on DHC the West Lindrith Gallup/ Dakota and the South Blanco Pictured Cliff.

Pictured Cliff perforations: 3360' - 3390'

West Lindrith Gallup/ Dakota: 6622' - 6884', 7583' - 7775'

Current rates:

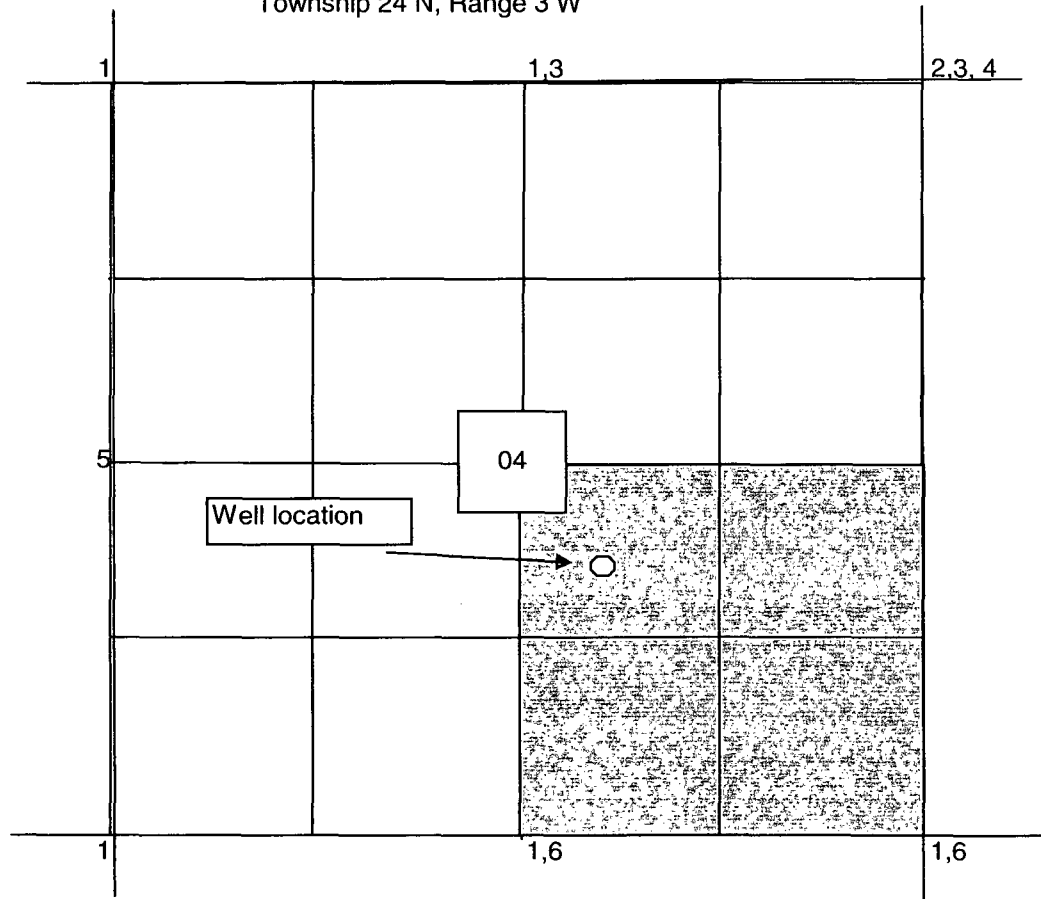
PC – not yet completed

WLGD – 1.5 BOPD, 30 MCFD, & 0.2 BWPD

Recommended Allocation: Subtraction method following 60 days of stabilized production. Rates reported to NMOCD – Aztec for final determination.

Energen Resources Corp.
Cullins Federal #6
Offset Operator/ Ownership Plat
South Blanco Pictured Cliffs/ West Lindrith Gallup- Dakota
Downhole Commingling

Township 24 N, Range 3 W



- 1) Energen Resources
- 2) Elm Ridge Exploration
- 3) Dugan Production
- 4) Schalk MR
- 5) Carolyn Clark Wiggin Oil Property
- 6) ConocoPhillips Company

Lease Name: CULLINS FEDERAL
County, State: RIO ARBA, NM
Operator: ENERGEN RESOURCES CORPORATION
Field: LINDRITH WEST
Reservoir: GALLUP DAKOTA
Location: 4 24N 3W SW NW SE

CULLINS FEDERAL # 6

