



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacifico Street
Santa Fe, New Mexico 87505
(505) 827-7137

May 10, 1999

Energen Resources Corporation
2198 Bloomfield Highway
Farmington, New Mexico 87401
Attention: Richard Corcoran

RECEIVED
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OIL CON. DIV.
DIST. 3

Administrative Order NSL-4277

Dear Mr. Corcoran:

Reference is made to your two applications dated April 16, 1999 for exceptions to the well location requirements provided within the: (i) the "Special Rules for the Blanco-Mesaverde Pool," as promulgated by New Mexico Oil Conservation Division ("Division") Order No. R-10987-A, issued in Case No. 12069 dated February 1, 1999; and (ii) the "Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987, for Energen Resources Corporation's ("Energen") proposed:

- (a) Carson Well No. 6 to be drilled at an unorthodox gas well location 150 feet from the South line and 835 feet from the West line (Unit M) of Section 29, Township 30 North, Range 4 West, NMPM, Rio Arriba County, New Mexico; and
- (b) Carson Well No. 6-M to be drilled at an unorthodox infill gas well location 1110 feet from the North line and 2450 feet from the West line (Unit C) of Section 29.

The W/2 of Section 29, being a standard 320-acre stand-up gas spacing and proration unit for both the Basin Dakota and Blanco-Mesaverde Pools, is to be dedicated to these two proposed wells.

Both applications have been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing these pools.

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox Basin-Dakota/Blanco-Mesaverde gas well locations for both the Carson Well Nos. 6 and 6-M are hereby approved.

Further, both wells and both spacing units will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
U. S. Forest Service - Bloomfield