

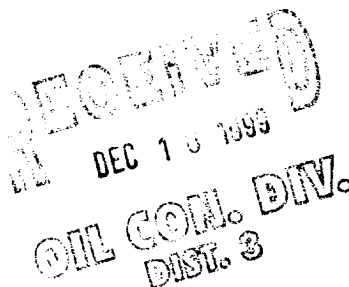


**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

December 8, 1999

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



Administrative Order NSL-4277-A

Dear Mr. Corcoran:

Reference is made to your application dated November 16, 1999 for a non-standard Pictured Cliffs gas well location for the existing Carson Well No. 6-A (API No. 30-039-26199), formerly the Carson Well No. 6-M, located 1110 feet from the North line and 2450 feet from the West line (Unit C) of Section 29, Township 30 North, Range 4 West, NMPM, Rio Arriba County, New Mexico. The NW/4 of Section 29 is to be dedicated to this well in order to form a standard 160-acre gas spacing and proration unit for the East Blanco-Pictured Cliffs Pool.

By Division Administrative Order NSL-4277, dated May 10, 1999, Energen Resources Corporation ("Energen") received authorization, in part, to drill to and complete the Carson Well No. 6-A in the Basin-Dakota and Blanco-Mesaverde Pools within a standard 320-acre stand-up gas spacing and proration unit for both pools comprising the W/2 of Section 29 at the above-described unorthodox gas well location.

It is our understanding that in September, 1999 Energen drilled this well to the base of the Mesaverde formation at a depth of 7,088 feet whereby the Mesaverde interval tested wet. It is further understood that this well is to be recompleted up-hole into the East Blanco-Pictured Cliffs Pool, which pursuant to Division Rule 104.C (3), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, is also unorthodox.

This application has been duly filed under the provisions of Division Rule 104.F.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox gas well location is hereby approved.

Further, that portion of Division Administrative Order NSL-4277, which authorized the unorthodox Basin-Dakota/Blanco-Mesaverde gas well location for this well shall be placed in abeyance until further notice.

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
File: NSL-4277