

March 3, 2000

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, NM 87505

RE: Administrative Approval of Unorthodox Locations
San Juan 30-4 Unit #43 and #44 Wells
Township 30 North, Range 4 West
Mesa Verde/Pictured Cliffs Duals
Rio Arriba County, New Mexico



Dear Mr. Stogner:

Energen Resources Corporation (Energen) is making plans to drill two Mesa Verde / Pictured Cliffs wells which are located in the Carson National Forest and the San Juan 30-4 Unit.

Order R-10987-A covering the Blanco Mesa Verde pool allows Mesa Verde wells within Federal Exploratory Units to be located not closer than ten (10) feet to any section, quarter section, or interior quarter-quarter section line, except when within one-half (1/2) mile of the outer boundary of the Unit.

Since the subject wells are within the San Juan 30-4 Unit, are in excess of 1/2 mile from the outer boundary and are not closer than ten (10) feet to any lease line, they are at a legal location for the Mesa Verde formation. However, as no such Federal Unit exception provision exists in the East Blanco Pictured Cliffs Pool rules; Energen hereby requests Administrative Approval of Unorthodox Locations under the provisions of State Rule 104 for the following wells:

Well Name	Location
San Juan 30-4 Unit #43	Sec. 17, T30N-R4W, 660' FSL & 140' FWL
San Juan 30-4 Unit #44	Sec. 20, T30N-R4W, 1,095' FNL & 75' FWL

Please to check 4-7-00

The proposed wells will be drilled as dual wells with production from the Blanco Mesa Verde and the East Blanco Pictured Cliffs pools being dedicated to the respective participating areas of the San Juan 30-4 Unit.

Energen Resources Corporation is the operator of the San Juan 30-4 Unit and all lands within the Unit are fully committed.

Due to extremely rough terrain in the form of steep cliffs and at the request of the District Ranger of the Carson National Forest to reduce disturbance to wildlife habitat and damage to vegetation and is necessary to request unorthodox locations for these wells.

Energen is the operator of all offsetting properties.

Attached is a letter from the Carson National Forest District Ranger requesting Energen make application for unorthodox locations, a well location plat showing dedicated acreage (C-102), a topographic plat of the area, a plat depicting the outline of the San Juan 30-4 Unit area, and a map showing all offsetting owners.

Your favorable consideration of this request would be appreciated.

Sincerely,

Richard Corcoran

Richard Corcoran
District Landman

RC/tm

Enclosures



Department of
Agriculture

Service

SOUTHWESTERN REGION 5
Carson National Forest
Jicarilla Ranger District

804 East Broadway
Bloomfield, New Mexico 87413
505-632-2956
FAX 505-632-3173

File Code: 2820

Date: 12/13/99

Rich Corcoran
Energen Resources
2198 Bloomfield Hwy.
Farmington, NM 87401

RE: Unorthodox location for wells: San Juan 30-4 Unit # 43 & #44

Dear Mr. Corcoran,

The Jicarilla Ranger District, Carson National Forest is requesting you apply for an unorthodox location as follows, as discussed by your company representative and Camela Hooley of this office:

San Juan 30-4 #43, T30N R4W Sec.17, 660'FSL/140'FWL
San Juan 30-4 #44, T30N R4W Sec.20, 1095'FNL/75'FWL

The mineral operator is required to comply with other applicable regulations such as the Endangered Species Act and the Archeological Resources Protection Act under 36CFR228.112(c). The operator is also required under 36CFR228.108(c) to minimize or prevent damage to surface resources. The Carson National Forest Management Plan states that surface resource impacts will be minimized when administering mineral resources.

The following conditions apply which require an unorthodox location:

☐ Archeological resources prevent locating the well in an orthodox location.

☒ #43, #44 Topography prevents locating the well in an orthodox location.

☐ Threatened/endangered species concerns prevent locating the well in an orthodox location.

☒ #43, #44 Prevention of unnecessary resource damage requires the location be unorthodox. (Such as a previously disturbed area or existing road available outside the drilling window.)

Thank you for your cooperation in this matter.

Mark Catron
District Ranger



Caring for the Land and Serving People

Printed on Recycled Paper



District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

District II
PO Drawer DD, Artesia, NM 88211-0719

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code	*Pool Name
		72400-72319	East Blanco Pictured Cliffs - Blanco Mesaverde
*Property Code	*Property Name		*Well Number
	SAN JUAN 30-4 UNIT		44
*OGRID No.	*Operator Name		*Elevation
162928	ENERGEN RESOURCES CORPORATION		7460'

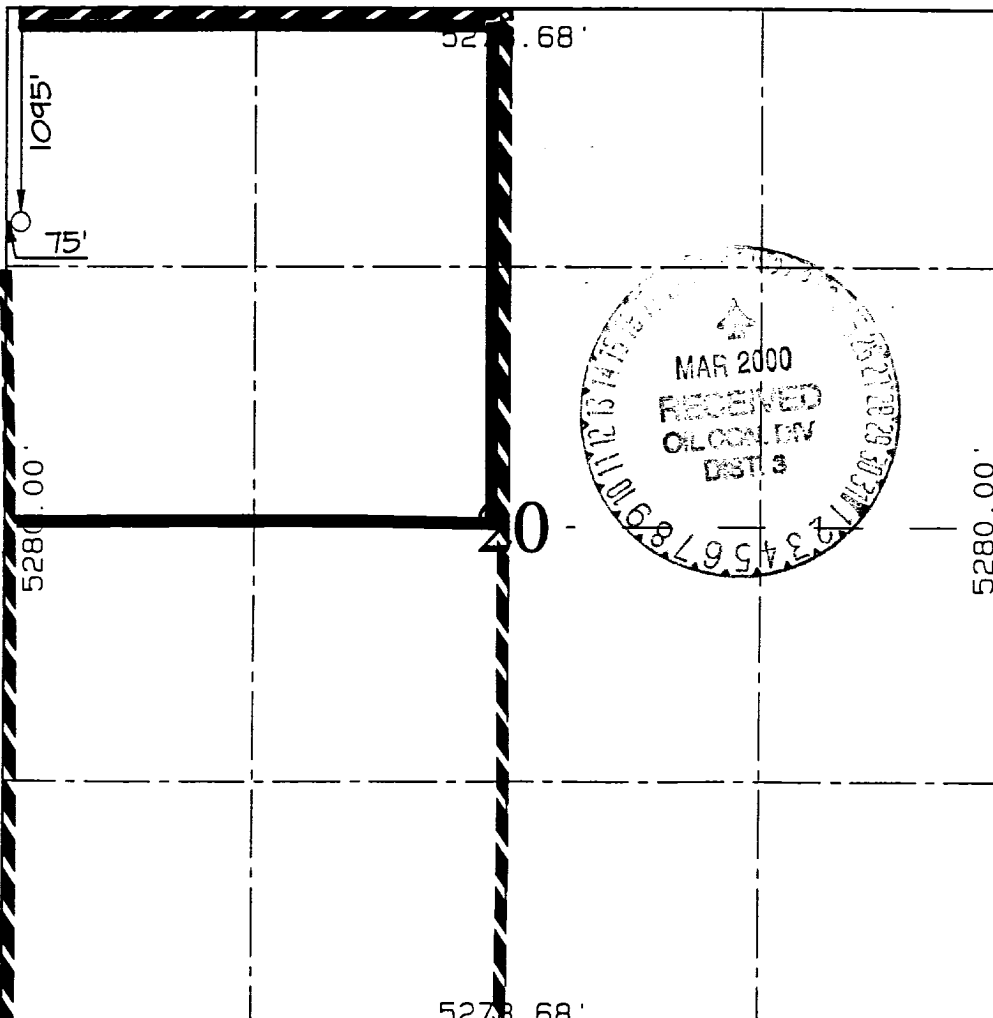
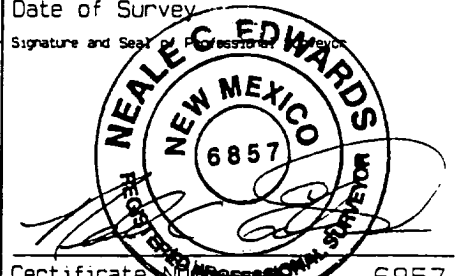
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	30N	4W		1095	NORTH	75	WEST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

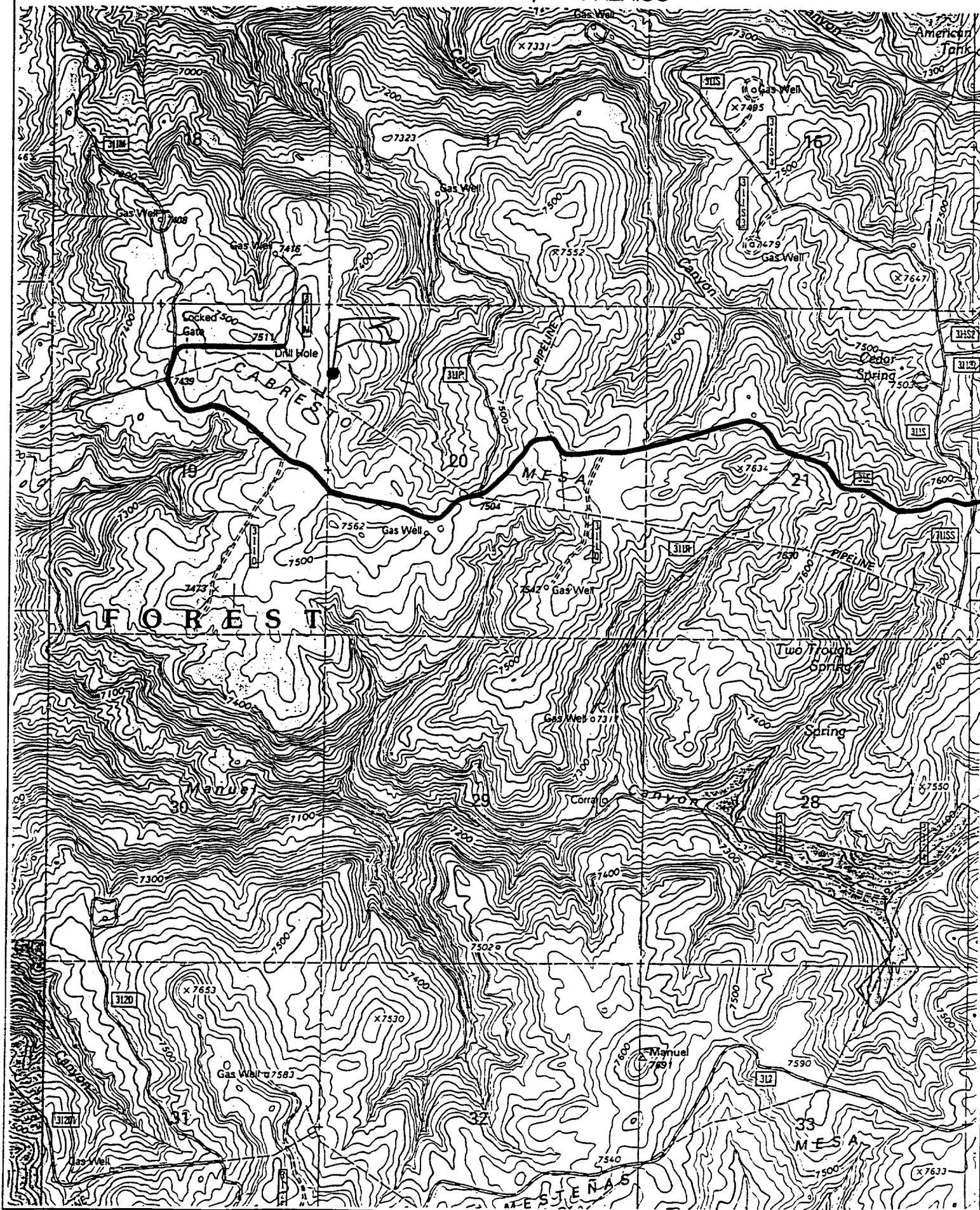
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres					¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.		

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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
		Signature Gary Brink
		Printed Name Production Superintendent
		Title
		Date
		¹⁸ SURVEYOR CERTIFICATION
		I hereby certify that the well location shown on this plat was plotted from field notes or actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
		NOVEMBER 18, 1999
		Date of Survey
		Signature and Seal of Professional Surveyor
		
		Certificate No. 6857

ENERGEN RESOURCES CORPORATION SAN JUAN 30-4 UNIT #44

1095' FNL & 75' FNL, SECTION 20, T30N, R4W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO

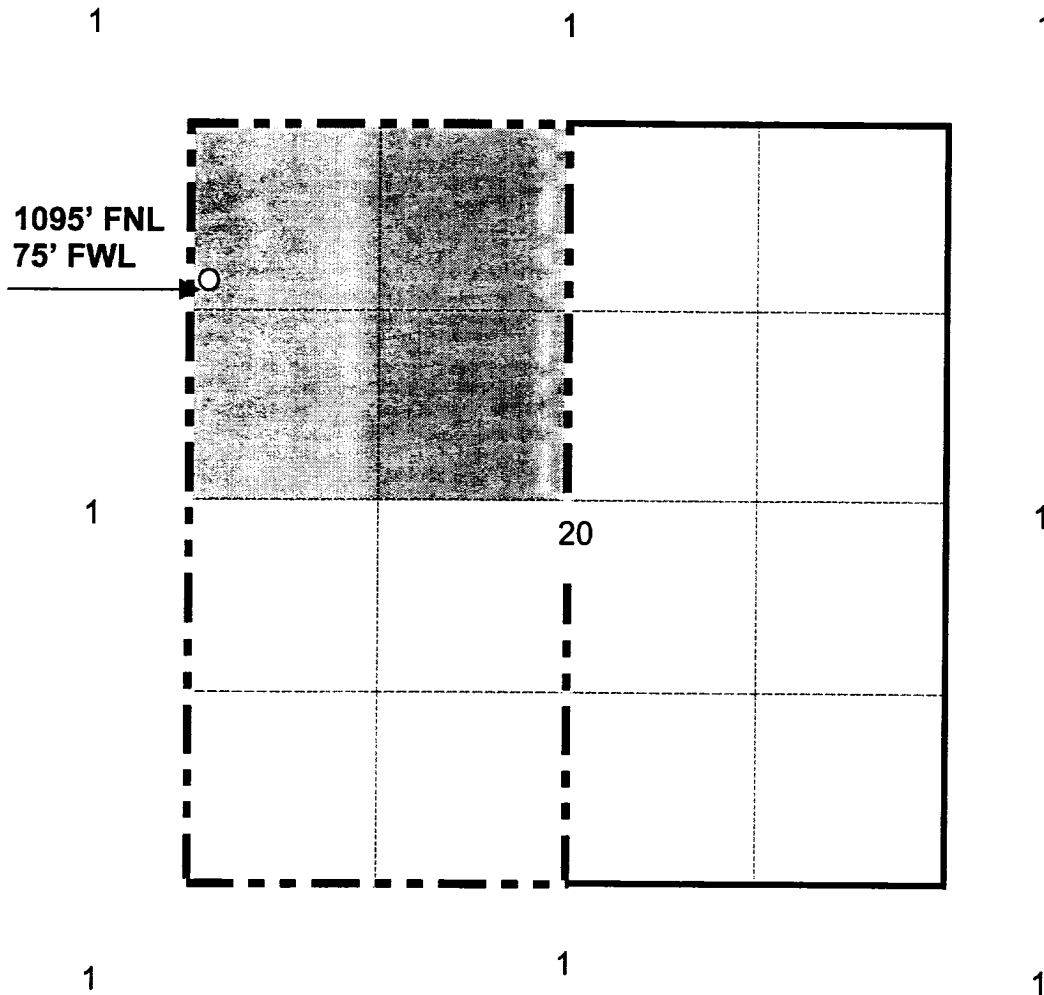


ENERGEN RESOURCES CORPORATION

San Juan 30-4 Unit #44
Section 20, Township 30 North - Range 4 West

OFFSET OPERATOR / OWNER PLAT

Mesa Verde/Pictured Cliffs Dual

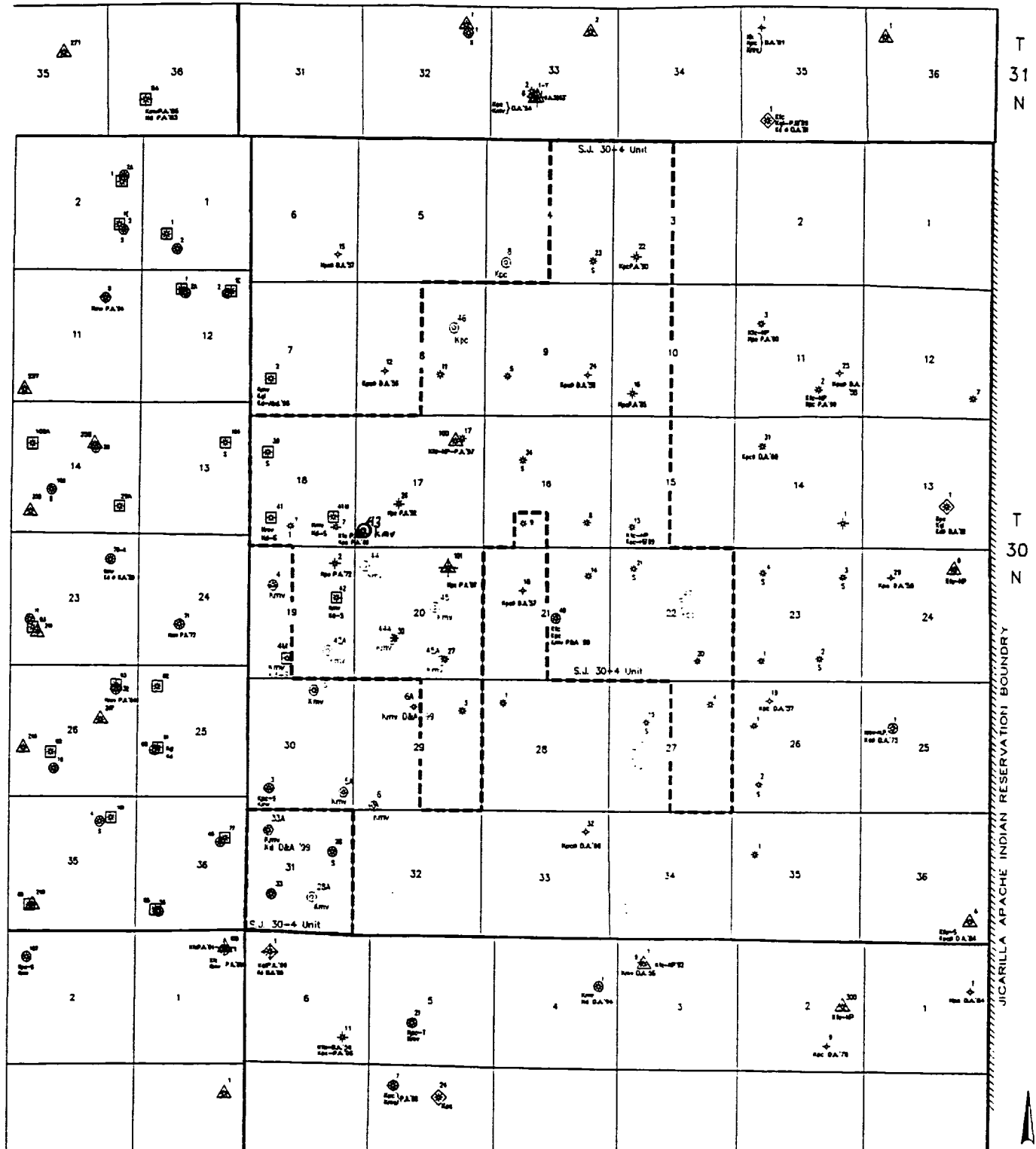


 Mesa Verde Proration Unit
 Pictured Cliffs Proration Unit

1. Energen Resources Corp. 100%

R 5 W

R 4 W



PRODUCING INTERVAL

- ⊕ 1999 NEW DRILL
⊙ 2000 NEW DRILL

----- SAN JUAN 30-4 UNIT
BOUNDARY

○ SAN JOSE/NAC.	Taj	⊗ CHACRA	Kc	Kch	CLIFFHOUSE
⊙ OJO ALAMO	Tn	⊗ MESAVERDE	Km	Km	WENEFEE
⊙ KIRTLAND	Kk	⊗ GALLUP	Kpl	Kpl	POINT LOOKOUT
⊙ FRUITLAND	Kfs	⊗ DAKOTA	Kgl	Kt	TOCITO
⊙ FRUITLAND	Kfc	⊗ PRODUCTION BELOW CRETACEOUS	Kd	hgh	GREENHORN
⊙ PICTURED CLIFFS	Kpc		Je		ENTRADA
			Pc		PARADOX
			Pbc		BARKER CREEK
			M		LEADVILLE

ENERGEN
RESOURCES

ENERGEN RESOURCES
CORPORATION
NEW MEXICO

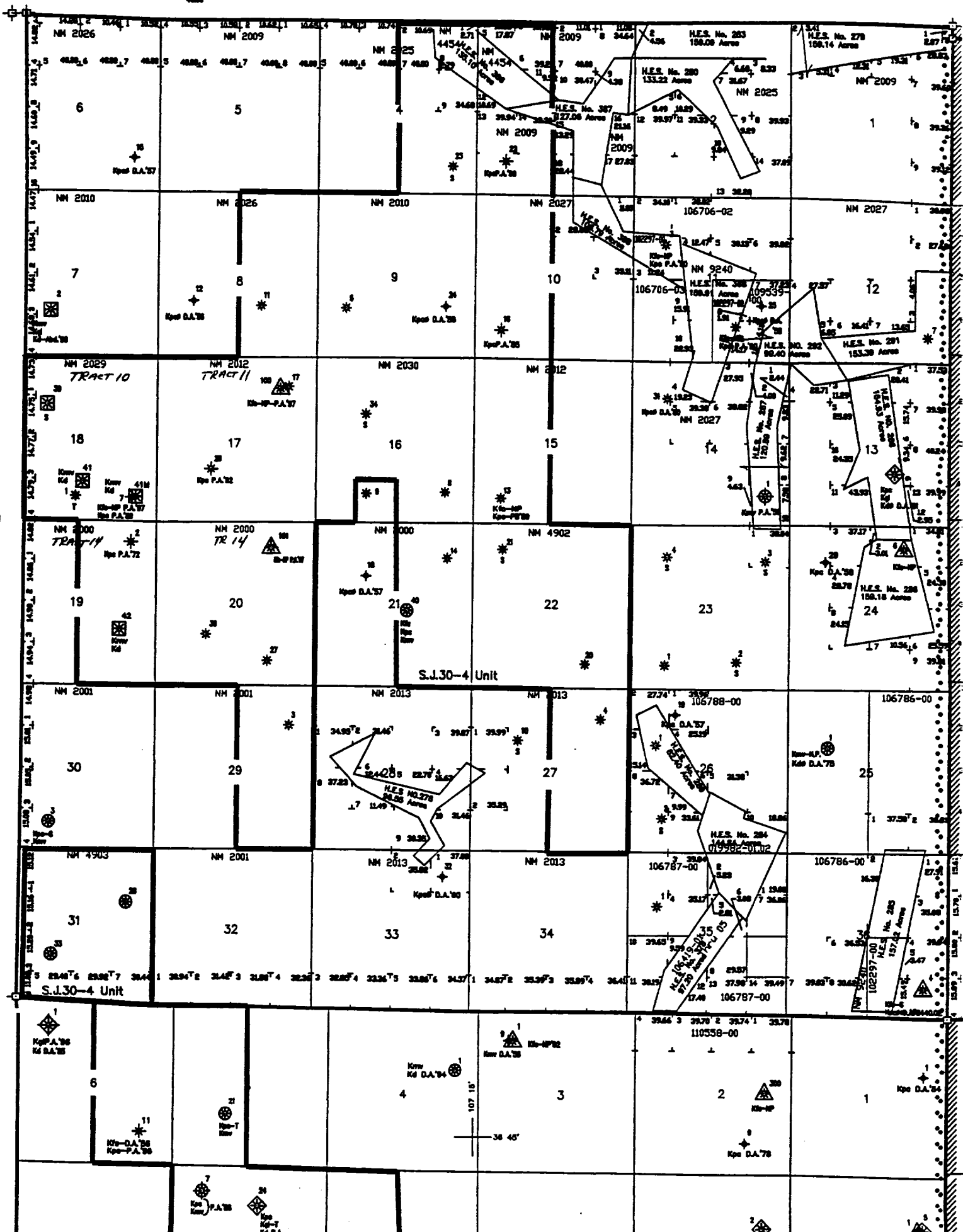
RIO ARRIBA CO., NEW MEXICO
SAN JUAN 30-4 UNIT

DECEMBER, 1999 SCALE: 1" = 6000'

FILE: \SHARED\AUTOCAD\RC30-4-99

42.20

T
30
N



RUN DATE 09/11/97
RUN TIME 15:34:39

EXHIBIT B

PAGE 1
FED520NB-B

RECAPITULATION FOR: SAN JUAN 30-4 UNIT
=====

TRACT#	ACREAGE	A C R E A G E C O M M I T T E D				A C R E A G E N O N - C O M M I T T E D			
		FEDERAL	STATE	FEE	TOTAL	FEDERAL	STATE	FEE	TOTAL
002	291.05	291.05			291.05				
003	252.40	252.40			252.40				
004	320.00	320.00			320.00				
005	640.00	640.00			640.00				
006	320.00	320.00			320.00				
009	600.00	600.00			600.00				
010	539.04	539.04			539.04				
011	960.00	960.00			960.00				
012	320.00	320.00			320.00				
013	640.00	640.00			640.00				
014	1280.00	1280.00			1280.00				
015	506.24	506.24			506.24				
016	320.00	320.00			320.00				
021	11.04			11.04	11.04				
024A	128.90			128.90	128.90				
		6988.73		139.94	7128.67				

UNIT REMARKS

TRACTS 1,7,17,18,19,20,22,23,24 HAVE BEEN
COMPLETELY ELIMINATED FROM THE UNIT. 10,772.79
ACRES HAVE BEEN ELIMINATED FROM THE EXISTING
TRACTS (2,3,4,5,6,9,11,12,14,16,21 & 24A) IN THE
UNIT.