



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

November 16, 1998

RECEIVED
NOV 19 1998

OIL CON. DIV.
DIST. 3

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

Administrative Order NSL-293-A

Dear Mr. Corcoran:

Reference is made to your application dated October 21, 1998 for an exception to the well location requirements provided within the "*Special Rules and Regulations for the Blanco-Mesaverde Pool/Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987, for Energen Resources Corporation's ("Energen"), formerly Taurus Exploration U.S.A., Inc.'s, proposed San Juan "32-5" Unit Well No. 8-R to be drilled at an unorthodox gas well location in both the Blanco-Mesaverde and Basin-Dakota Pools 920 feet from the North line and 775 feet from the East line (Unit A) of Section 27, Township 32 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

Gas production from the Blanco-Mesaverde Pool in the E/2 of Section 27, being a standard 320-acre stand-up gas spacing and proration unit, is currently dedicated to Energen's: (I) San Juan "32-5" Unit Well No. 15 (**API No. 30-039-07988**), located at an unorthodox gas well location 865 feet from the South line and 1045 feet from the East line (Unit P) of Section 27 (approved by Division Administrative Order NSL-293, dated May 21, 1962); and, (ii) San Juan "32-5" Unit Well No. 15-A (**API No. 30-039-60111**), located at an unorthodox gas well location 840 feet from the North line and 735 feet from the East line (Unit A) of Section 27 (approved by Division Administrative Order NSL-256, dated June 10, 1962). It is our understanding from your application that the San Juan "32-5" Unit Well No. 15-A is to be plugged and abandoned and that the proposed San Juan "32-5" Unit Well No. 8-R is to be its replacement.

Gas production from the Basin-Dakota Pool is to be dedicated to a standard lay-down 320-acre gas spacing and proration unit comprising the N/2 of Section 27.

The application has been duly filed under the provisions of Rules 104.F and 605.B of the Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox Blanco-Mesaverde infill gas well location and Basin-Dakota gas well location for the San Juan "32-5" Unit Well No. 8-R is hereby approved. Both of the aforementioned San Juan "32-5" Unit Well Nos. 15 and 8-R and both spacing units will be subject to all existing rules,

Administrative Order NSL-293-A
Energen Resources Corporation
November 16, 1998
Page 2

regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenberg" followed by a stylized flourish or initials.

Lori Wrotenberg
Director

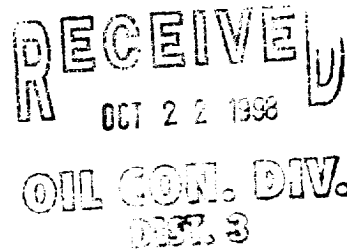
LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec /
U. S. Bureau of Land Management - Farmington
U. S. Bureau of Reclamation - Durango
File: NSL-256
NSL-293

October 21, 1998

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

RE: Administrative Approval of Unorthodox Location
San Juan 32-5, Unit 8R Well
920' FNL, 775' FEL
Sec.27-T32N-R6W
Rio Arriba County, New Mexico
Mesa Verde/Dakota Commingle



Dear Mr. Stogner:

Energen Resources Inc. requests administrative approval for an unorthodox location of it's San Juan 32-5 Unit 8R well under provisions of NMOCD Order R-8170.

A substantial portion of Sec.27 (approximately 75%) lies under the water of Navajo Lake. Much of the remaining lands of Sec. 27 are topographically rugged and leave an extremely limited area in which to locate a well.

Energen plans to plug and abandon the San Juan 32-5 Unit #15A well located 840' FNL and 735' FEL of Sec.27-T32N-R6W, and locate the subject well on the existing pad. The San Juan 32-5 Unit #15A was originally drilled in July 1961 as a Dakota well and called the San Juan 32-5 Unit #8 well. It was plugged back in 1977 to the Mesa Verde and renamed the San Juan 32-5 Unit #15A. Approval of an unorthodox location by Order #256 was granted by the New Mexico Oil Conservation Division on June 10, 1961 allowing for the location of the original well (San Juan 32-5 #8) due to topographic reasons.

Since we are unable to located in a legal drilling window and to minimize surface disturbance, Energen Resources respectfully request administrative approval for our proposed location.

A copy of this application is being submitted to all offset operators by certified mail with a request that they furnish your office in Santa Fe with a Waiver of Objection.

Attached is a well location plat showing acreage, a topographic plat of the area, and a map showing all offsetting operators.

Sincerely,

Richard Corcoran
District Landman

Attachment

xc: OCD-Aztec – Ernie Bush

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [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 - Directional Drilling

☒ NSL ☐ NSP ☐ DD ☐ 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

[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, U, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity

Edward Crook
Print or Type Name

Richard Crook
Signature

District Engineer
Title

10-21-98
Date

PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

Energy, Minerals & Natural Resources Department

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

Revised February 21, 1994

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
		72319/71599		Blanco MV/Basin DK	
4 Property Code		5 Property Name			6 Well Number
		SAN JUAN 32-5 UNIT			8R
7 OGRID No.		8 Operator Name			9 Elevation
162928		TAURUS EXPLORATION U.S.A., INC.			6141

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
A	27	32N	6W		920	NORTH	775	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	13 Joint or Infill	14 Consolidation Code	15 Order No.
320/320			

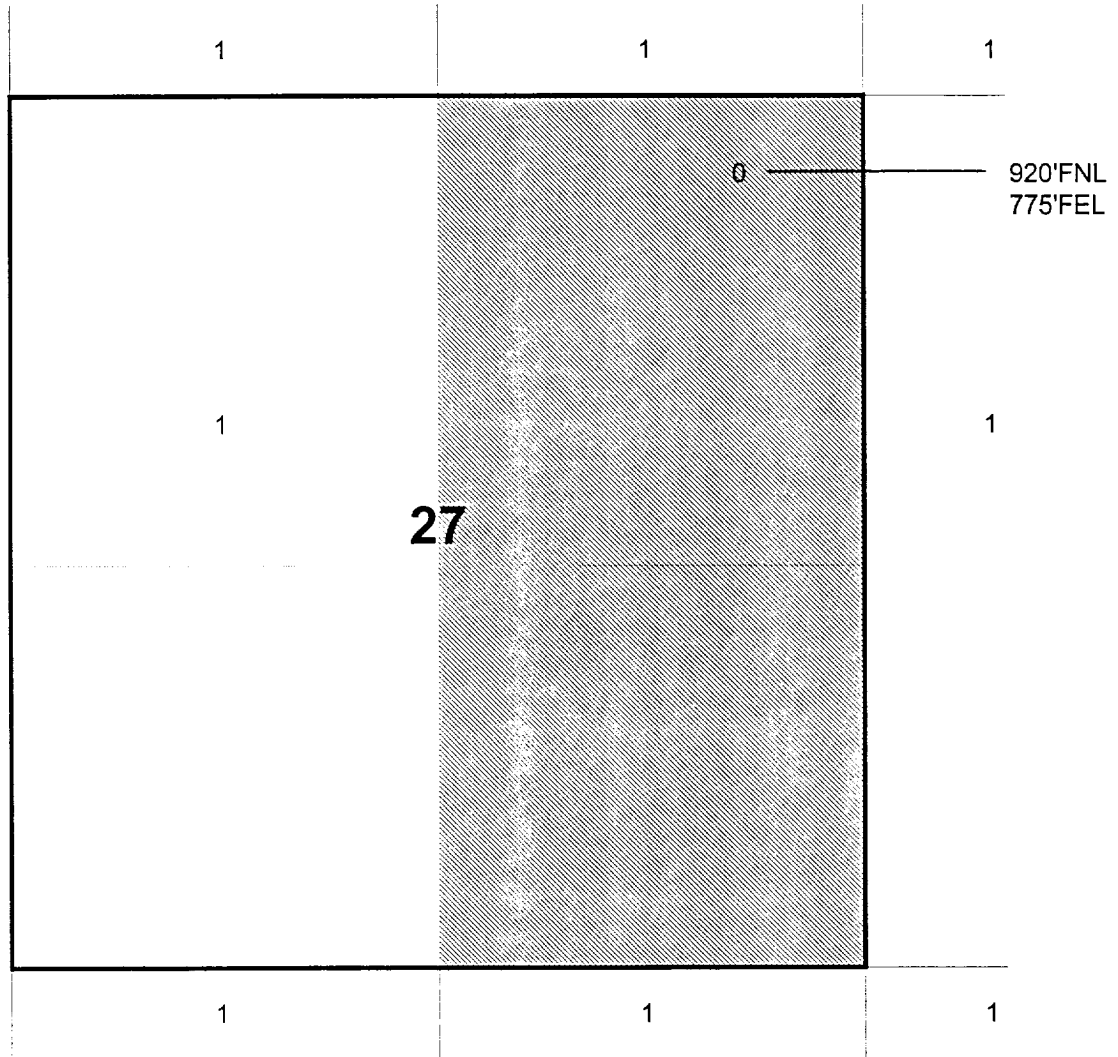
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16 S 89-47 W 2683.56 S 89-53 W 2681.58				17 OPERATOR CERTIFICATION	
				I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief	
				Signature <u>GARY W. BRINK</u>	
				Printed Name <u>PRODUCTION SUPERINTENDENT</u>	
				Title <u>10/21/98</u>	
				18 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.	
				Date of Survey <u>6/30/98</u>	
				Signature and Seal of Professional Surveyor:	
S 87-40 W 2663.10 N 89-37 W 2845.26				Certificate Number	

ENERGEN RESOURCES CORPORATION

San Juan 32-5 Unit #8R
OFFSET OPERATOR \ OWNER PLAT
Commingle Dakota \ Mesa Verde Formations

MESA VERDE E/2 SPACING
Township 32 North - Range 6 West

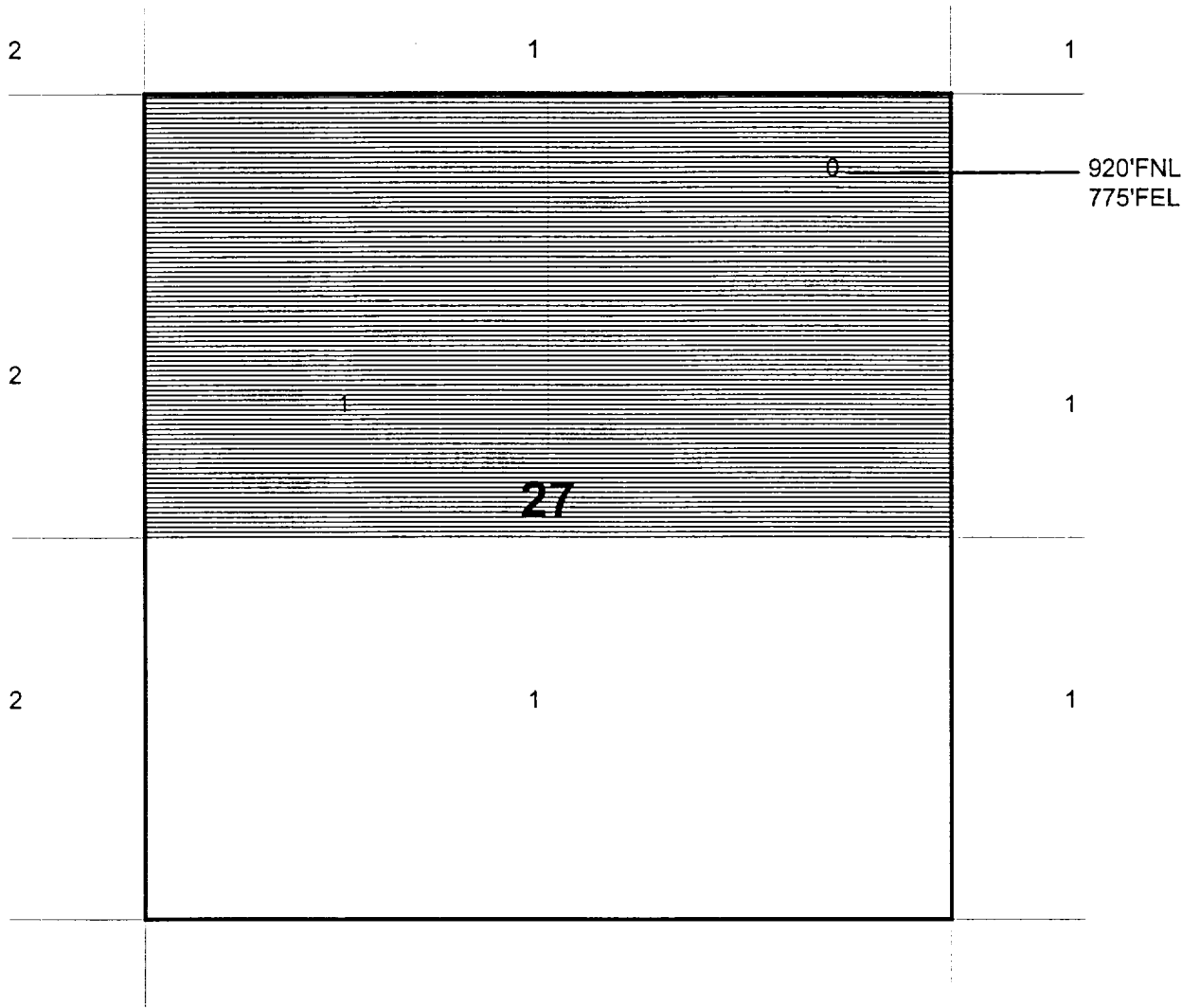


1. Taurus Exploration U S A, Inc.

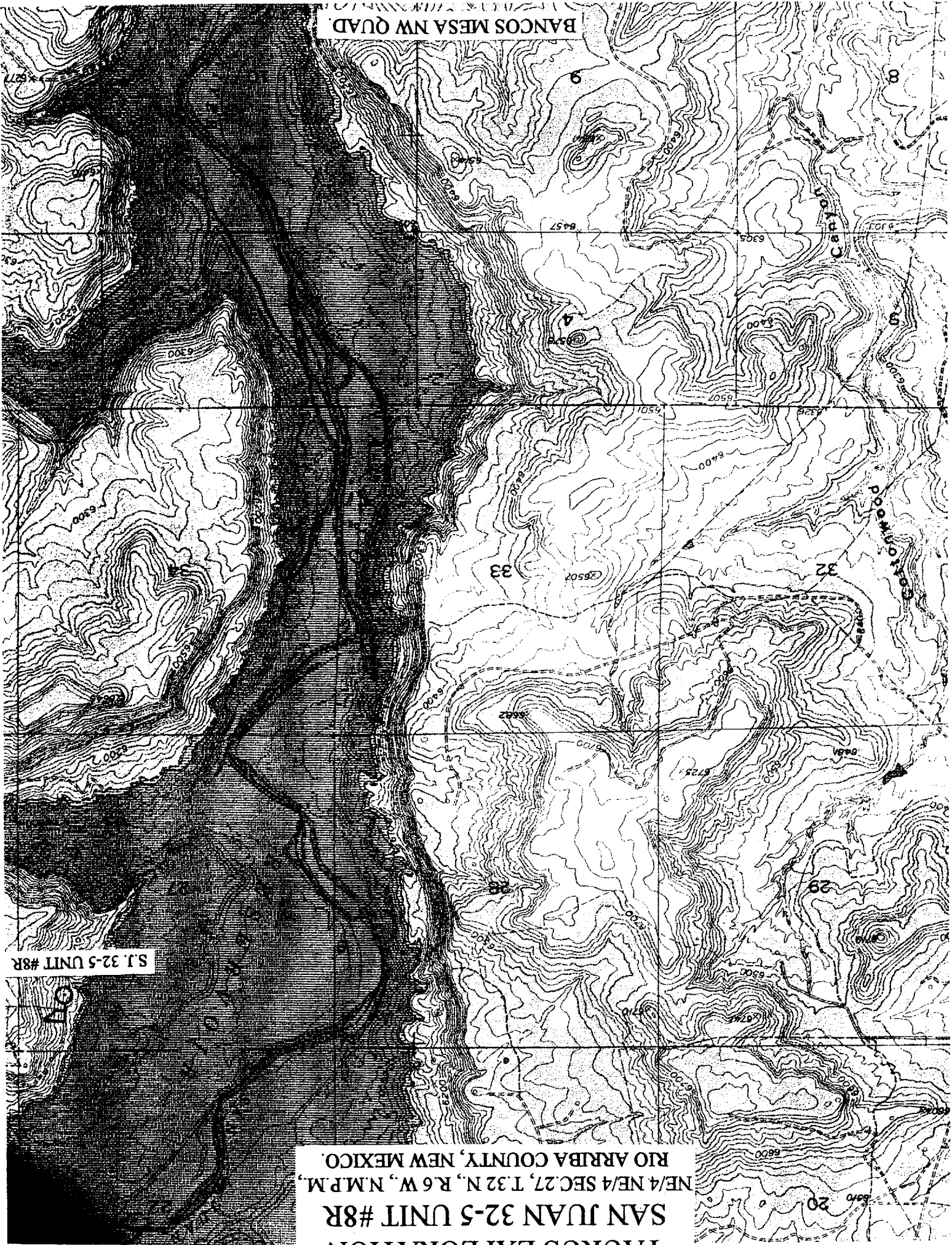
ENERGEN RESOURCES CORPORATION

San Juan 32-5 Unit #8R
OFFSET OPERATOR \ OWNER PLAT
Commingle Dakota \ Mesa Verde Formations

DAKOTA N/2 SPACING
Township 32 North - Range 6 West



- 1. Taurus Exploration U S A, Inc.
- 2. Burlington Resources



BANCOS MESA NW QUAD

S.J. 32-5 UNIT #8R

TAURUS EXPLORATION
SAN JUAN 32-5 UNIT #8R
NE/4 NE/4 SEC. 27, T. 32 N., R. 6 W., N.M.P.M.,
RIO ARRIABA COUNTY, NEW MEXICO.



October 21, 1998

Shannon Nichols
Burlington Resources
P. O. Box 4289
Farmington, NM 87499

RE: Administrative Approval of Unorthodox Location
San Juan 32-5, Unit 8R Well
920' FNL, 775' FEL
Sec.27-T32N-R6W
Rio Arriba County, New Mexico
Mesa Verde/Dakota Commingle

Dear Interest Owner:

Energen Resources Inc. has filed with the New Mexico Oil Conservation Division (NMOCD) an application for the Administrative Approval of an Unorthodox Location for its San Juan 32-5 Unit #8R well. A copy of the application has been attached for your review.

If you have no objection to this unorthodox location, please sign the three copies of the attached waiver, return one executed copy to the NMOCD in Santa Fe, New Mexico, one copy to our office, and retain one copy for your files. Self addressed envelopes are enclosed.

Your assistance and cooperation in this matter are appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Richard Corcoran".

Richard Corcoran
District Landman

RC/vd

WAIVER

_____ hereby waives objection to the above referenced
Application for Unorthodox Location for Energen Resources Inc. San Juan 32-5 Unit 8R well.

Date: _____ By: _____

Cc: OCD-Aztec Office
BLM-Farmington Office
Offset Operators