



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

August 22, 2001

Lori Wrotenbery

Director

Oil Conservation Division

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



Dear Mr. Corcoran:

Reference is made to the following: (i) your application dated July 31, 2001 (*application reference No. pKRV0-121853507*); and (ii) to the records of the New Mexico Oil Conservation Division in Santa Fe ("Division") in Aztec and Santa Fe: concerning Energen Resources Corporation's ("Energen") request for a non-standard 345.59-acre gas spacing and proration unit consisting of the following acreage in the Basin-Fruitland Coal (Gas) Pool (71629):

RIO ARRIBA COUNTY, NEW MEXICO
TOWNSHIP 32 NORTH, RANGE 5 WEST, NMPM

Irregular Section 30: All
Irregular Section 31: All.

It is our understanding that this unit is to be dedicated to Energen's proposed San Juan "32-5" Unit Well No. 111 (**API No. 30-039-26637**), to be drilled at a location in irregular Section 31 considered by the special Basin-Fruitland coal gas pool rules to be standard 1005 feet from the North line and 680 feet from the East line (Lot 1/Unit A).

The above-described acreage conforms to an existing non-standard gas spacing and proration unit in both the: (i) Blanco-Mesaverde Pool approved under the authority of Division Order No. R-1714, issued in Case No. 2004 on July 7, 1960; and (ii) Basin-Dakota Pool approved under the authority of Division Order No. R-1722, issued in Case No. 2013 on July 21, 1960.

By the authority granted me under the provisions of Rule 6 of the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*", as promulgated by Division Order No. R-8768, as amended, the above-described non-standard 345.59-acre gas spacing and proration unit is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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