



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

August 27, 2001



Olive Gallegos
3850 Birch Drive
Salt Lake City, Utah 84109

RE: Administrative application (reference No. pKRV0-121853708) of Energen Resources Corporation ("Energen") for a non-standard 355.25-acre gas spacing and proration unit comprising all of irregular Sections 18 and 19, Township 32 North, Range 5 West, NMPM, Basin-Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico, to be dedicated to Energen's proposed San Juan "32-5" Unit Well No. 112 (API No. 30-039-26720) to be drilled at an unorthodox coal gas well location 410 feet from the South line and 150 feet from the West line (Lot 4/Unit P) of irregular Section 19.

Dear Ms. Gallegos:

This matter has been set for hearing before a Division Examiner on the September 20, 2001 docket due to previous objections filed last week (see copy of letter attached).

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer


MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
J. Scott Hall, Legal Counsel for Energen Resources Corporation - Santa Fe
Richard Corcoran, Energen Resources Corporation - Farmington

Energen Resources Corporation
August 27, 2001
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Should there be any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465.

Sincerely,



Michael E. Stogner
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cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
David J. Candelaria - Salt Lake City
Thomas J. Candelaria - Salt Lake City
John C. Candelaria - Salt Lake City
J. Scott Hall, Legal Counsel for Energen Resources Corporation - Santa Fe
Kathy Valdes - OCD, Santa Fe



OLD-112dec

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

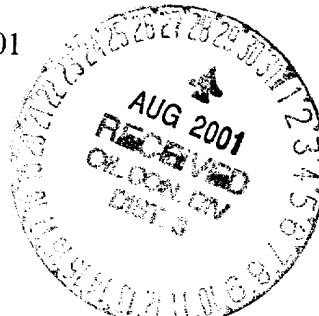
Governor

Jennifer A. Salisbury
Cabinet Secretary


August 27, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Energen Resources Corporation
Attention: Richard P. Corcoran
2198 Bloomfield Highway
Farmington, New Mexico 87501



*RE: Administrative application (reference No. **pKRV0-121853708**) of Energen Resources Corporation ("Energen") for a non-standard 355.25-acre gas spacing and proration unit comprising all of irregular Sections 18 and (19) Township 32 North, Range 5 West, NMPM, Basin-Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico, to be dedicated to Energen's proposed San Juan "32-5" Unit Well No. 112 (API No. **30-039-26720**) to be drilled at an unorthodox coal gas well location 410 feet from the South line and 150 feet from the West line (Lot 4/Unit P) of irregular Section 19.*


Dear Mr. Corcoran:

On Thursday, August 23, 2001 the Division received objections from John C. Candelaria, Thomas J. Candelaria, and David J. Candelaria, all of Salt Lake City, Utah, to the subject application (see copies of letters attached). Energen filed this application with the Division's Santa Fe office on August 2, 2001. The Division realizes and notes that the time period from the receipt date of the application to the date the objections were filed is 21 days. However, closer review of the application, notice letters, and post marks reveals that: (i) Energen's notice letter to all affected parties provides the incorrect address for the Division, which changed locations in Santa Fe in January, 2001 from the old address shown to its new location at 1220 South St. Francis Drive, Santa Fe, NM 87504; and (ii) the single envelope containing these three objections was post marked August 18, 2001 and had posted a computer generated address correction notice from the Santa Fe's post office dated August 22, 2001.

The Division will honor these objections and hereby orders this matter be set for hearing before a Division Hearing Examiner on the next available docket scheduled for September 20, 2001. I have prepared the following advertisement in this matter:

"Application of Energen Resources Corporation for a non-standard gas spacing and proration unit and an unorthodox coal gas well location, Rio Arriba County, New Mexico. Applicant seeks to establish a non-standard 355.25-acre gas spacing and proration unit in the Basin-Fruitland Coal (Gas) Pool comprising all of irregular Sections 18 and 19, Township 32 North, Range 5 West, which is located approximately one to three miles south of the New Mexico/Colorado state line at Mile Corner No. 240. This unit is to be dedicated to Energen's proposed San Juan "32-5" Unit Well No. 112 (API No. 30-039-26729) to be drilled at an unorthodox coal gas well location 410 feet from the South line and 1320 feet from the East line, or 150 feet from the West line (Lot 4/Unit P) of irregular Section 19".

Energen Resources Corporation
August 27, 2001
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Should there be any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
David J. Candelaria - Salt Lake City
Thomas J. Candelaria - Salt Lake City
John C. Candelaria - Salt Lake City
J. Scott Hall, Legal Counsel for Energen Resources Corporation - Santa Fe
Kathy Valdes - OCD, Santa Fe

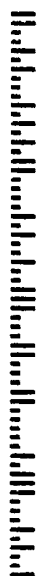
John C. Candalaria
886 3rd Ave
Sbc, Apt. 84103



Mr. Michael E. Stogner
New Mexico Oil Conservation Division
2040 South Park
Santa Fe

075052030 1101 14 08/22/01
NOTIFY SENDER OF NEW ADDRESS
OIL CONSERVATION DIVISION
1220 S SAINT FRANCIS DR
SANTA FE NM 87505-4000

87505+34



OIL CONSERVATION DIV.

DAVID J. Candelaria 01 AUG 23 PM 12:58

422 Stonehedge DR-11-D

Salt Lake City, UT 84107

801-268-4224

R.E. Administrative Approval of Unorthodox
Location

Non-standard Production Unit

San Juan 32-5 unit # 112, Fruitland Coal
Well

Section 19 T32N-R5W

Rio Arriba County New Mexico

I David J. Candelaria object to the
above referenced Application for Un-
orthodox Location and Non-Standard
Spacing unit for Energen Resource
Corperation's San Juan 32-5 unit # 112
Fruitland Coal Well

Date: 8-16-2001 By David J. Candelaria



July 31, 2001

Via Certified Mail

Thomas J. Candelaria
621 Roosevelt Avenue
Salt Lake City, UT 84105

RE: Administrative Approval of Unorthodox Location
Non-Standard Proration Unit
San Juan 32-5 Unit #112 – Fruitland Coal well
Section 19, T32N-R5W
Rio Arriba County, New Mexico

Dear Mr. Candelaria:

Energen Resources Corporation has filed with the New Mexico Oil Conservation division (NMOCD), an Application for the Administrative Approval of an Unorthodox Location and Non-Standard Spacing Unit, for its San Juan 32-5 Unit #112 well. A copy of the application has been attached for your review.

If you have no objection to this unorthodox location and nonstandard proration unit, please sign three copies of the attached waiver, return one executed copy to the NMOCD at 2040 South Pacheco, Santa Fe, New Mexico 87505, one copy to our office, and retain one copy for your files. If you have objections to this proposal, you should notify the NMOCD within 20 days of the date of this letter.

Your assistance and cooperation in this matter is appreciated.

Sincerely,

Richard Corcoran
District Landman

Attachment

RC/ga

I. Object

~~hereby waives objection to the above referenced Application for Unorthodox Location and Non-Standard Spacing Unit for Energen Resources Corporation's San Juan 32-5 Unit #112 Fruitland Coal well.~~

Date: 9-15-2001

By:

cc: OCD - Aztec Office, BLM – Farmington Office, Offset Operators