



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

February 18, 2002

Lori Wrotenbery
Director
Oil Conservation Division

**Energen Resources Corporation
2198 Bloomfield Highway
Farmington, New Mexico 87401**

Attention: Richard Corcoran

Re: Application for administrative approval dated February 12, 2002 (application reference No. pKRVo-204552548) for Energen Resources Corporation ("Energen") to drill its proposed San Juan "30-4" Unit Well No. 102 at an off-pattern unorthodox coal gas well location within a non-standard 219.04-acre gas spacing unit in the Basin-Fruitland Coal (Gas) Pool comprising the W/2 equivalent (Lots 1 through 4 and the E/2 W/2) of Section 18, Township 30 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

Dear Mr. Corcoran:

I have reviewed your request for the subject unorthodox off-pattern coal gas well and the records of the Division for wells in the immediate area. You stated in your application, "it is not possible to locate a well in the NE/4 of Section 18". The proposed well is for a spacing unit that comprises the W/2 equivalent of Section 18 and therefore does not affected the NE/4 of Section 18. It was further mentioned that the U. S. Forest Service requested Energen to locate the proposed well on an existing well pad in order to minimize disturbance to wildlife and vegetation. The Energen operated San Juan "30-4" Unit Well No. 1 (API No. 30-39-07840) in Unit "N" of Section 18 appears to provide such a well pad within the appropriate quarter section for this stand-up unit just as well as Energen's San Juan "30-4" Unit Well No. 39 (API No. 30-039-22210) in Unit "F" of Section 18.

Your request for the proposed unorthodox coal gas well location is unwarranted. Deemed unnecessary, it is hereby **denied** and is being returned to you at this time.

Should you wish to pursue this application for this particular off-pattern coal gas well location further, you may reapply for a hearing before a duly appointed examiner.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
U. S. Forest Service - Bloomfield
Kathy Valdes, NMOCD - Santa Fe