

DATE IN <u>5/17/02</u>	SUSPENSE <u>6/6/02</u>	ENGINEER <u>MS</u>	LOGGED <u>KW</u>	TYPE <u>NSL</u>
------------------------	------------------------	--------------------	------------------	-----------------

21402 9247

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

Carson #208 Well

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]

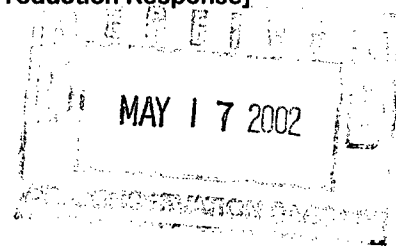
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling
 [X] NSL [] NSP [] DD [] SD

Check One Only for [B] and [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] [X] 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, RI, ORRI) is common. 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.

Richard P. Corcoran
Print or Type Name

Richard P. Corcoran
Signature

District Landman
Title

5-15-02
Date



May 15, 2002

Michael E. Stogner
New Mexico Oil Conservation Division
1220 South Saint Frances Drive
Santa Fe, NM 87505

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX
AND NON-STANDARD PRORATION UNIT
CARSON #208
1,635' FNL & 860' FWL
SECTION 19-T30N-R4W
RIO ARriba COUNTY, NEW MEXICO
BASIN FRUITLAND COAL

Dear Mr. Stogner:

Energen Resources Corporation requests administrative approval of an unorthodox location and non-standard proration unit for its Carson #208 well under the provisions of NMOCD R-8768.

The proposed well is to be located 1,635' FNL & 860' FWL of Section 19-T30N-R4W, Rio Arriba County, New Mexico and dedicated to a non-standard gas spacing unit consisting of the W/2 of said section 18, in the Basin Fruitland Coal gas pool.

The E/2 of section 18-T30N-R4W is dedicated to the San Juan 30-4 Unit (approved by the NMOCD), which provides in part that wells drilled to the Mesaverde and shallower formations shall be dedicated to E/2 or W/2 drilling blocks. Section 19 is irregular in size with the W/2 being made up of Lot 1 (NW NW) 14.82 acres, Lot 2 (SW NW) 14.86 acres, Lot 3 (NW SW) 14.90 acres, Lot 4 (SW SW) 14.94 acres, and E/2 W/2 totaling 219.52 acres which is less than 70% of 320 acres ($219.52/320=68.60\%$) as required in the Basin Fruitland Coal Pool Rule 5.

For geologic reasons the subject well is to be drilled at an off pattern location so that it can stay within the overpressure envelope boundary which would not be obtainable at the closest standard location. See attached geologic narrative and map.

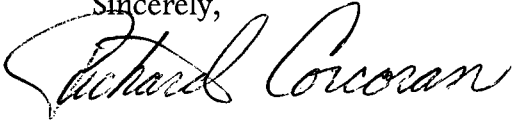
To stay within the overpressured envelope and minimize disturbance to wildlife and vegetation; we are proposing to situate the subject well on the existing well pad for Energen's Carson #4 well, located 1,561' FNL & 946' FWL of said Section 19.

The surface of the lands involved in this application is managed by the National Forest Service and the mineral by the Bureau of Land Management (BLM). The proposed surface location has been inspected by the Forest Service and Energen believes its location will be approved by the BLM.

A copy of this application is being submitted to 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 dedicated acreage, a topographic plat of the area, a map showing all offsetting operators, a geologic map and narrative.

Sincerely,

A handwritten signature in cursive script, reading "Richard Corcoran". The signature is written in dark ink and is positioned below the word "Sincerely,".

Richard Corcoran
District Landman

RC/ga

Enclosures

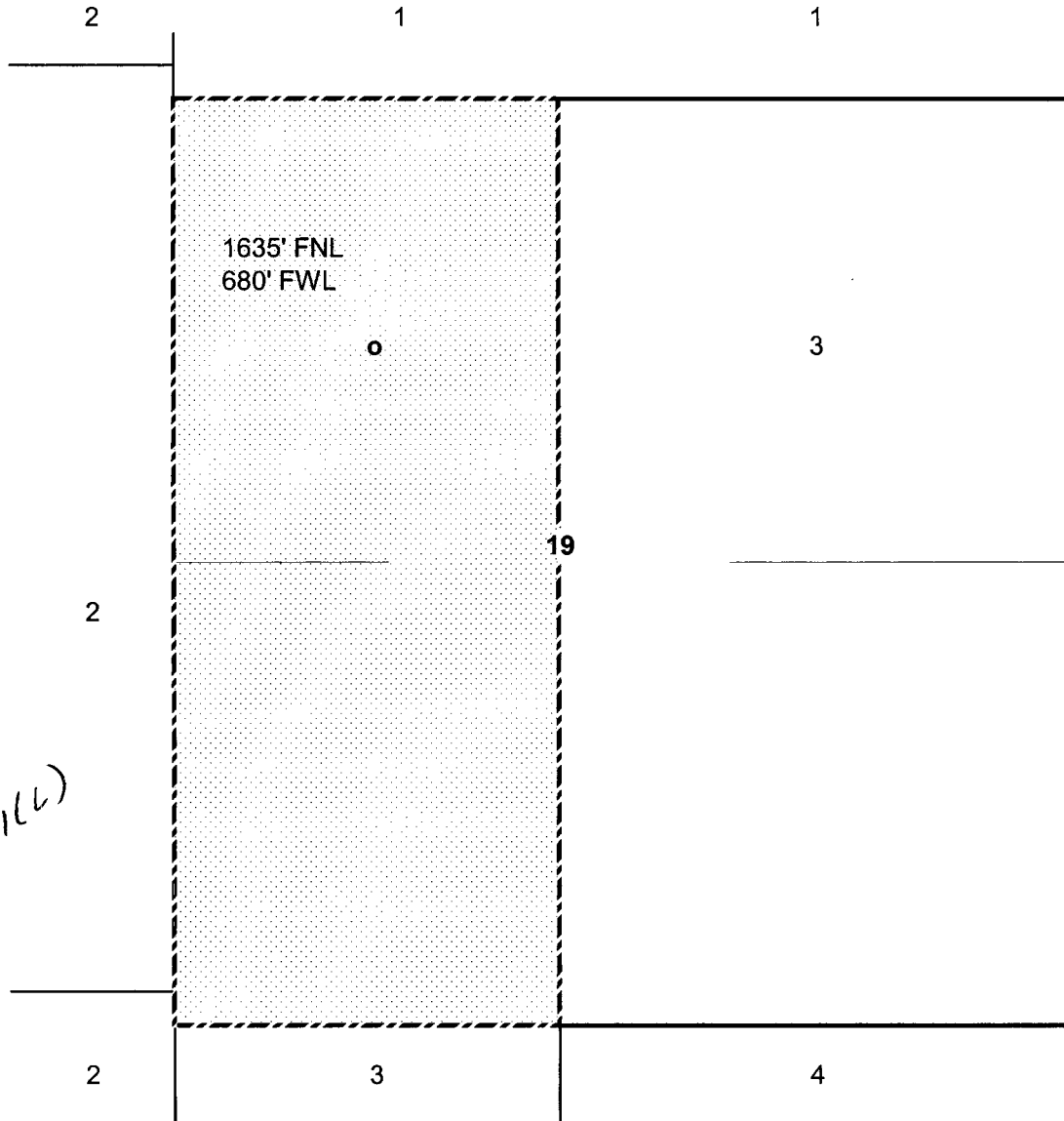
Energen Resources Corporation

Carson #208

OFFSET OPERATOR \ OWNER PLAT

Fruitland Coal Formation

W/2 Section 19, Township 30 North - Range 4 West



Phillips Petroleum Co.	Tract 2		
Energen Resources Corp.	Tract 1,3,&4	Pool Resources LTD	Tract 3
Mc Elvain Oil & Gas Corp.	Tract 3&4	JABCO LLP	Tract 3
MAR Oil & Gas Corp.	Tract 3&4	Trust UWO Evelyn G. Brown	Tract 3
Dugan Production Corp.	Tract 3&4	Trust UWO Algernon W. Brown	Tract 3
James M. Raymond	Tract 3&4	Providence Minerals Corp.	Tract 3
Charles W. Gay	Tract 3&4	Tinmil	Tract 3
Lorrery Gay Hacker	Tract 3&4	Thomas P. Tinnin	Tract 3
Maydell Miller Mast	Tract 3&4	Burlington Resources Co.	Tract 3
Ruth Zimmerman, Trustee	Tract 3&4		

District I
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

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102
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

*API Number		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code	*Property Name CARSON		*Well Number 208
*GRID No. 162928	*Operator Name ENERGEN RESOURCES CORPORATION		*Elevation 7385'

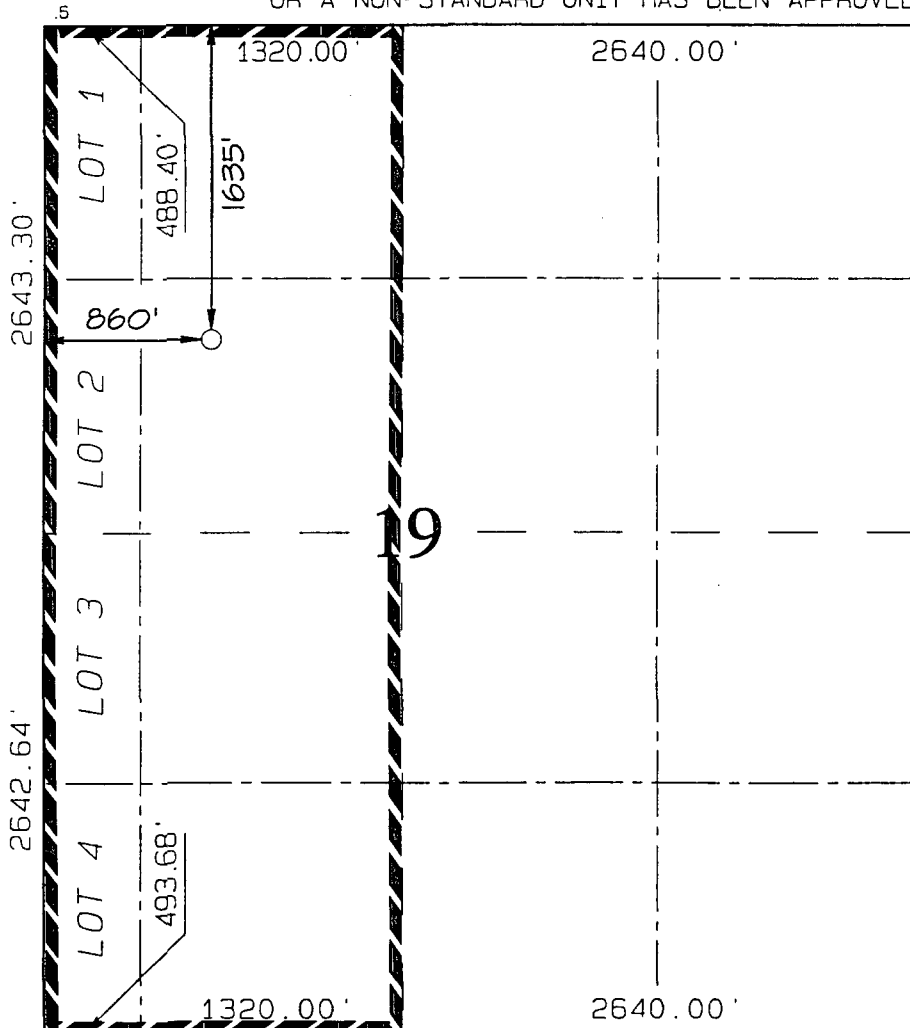
¹⁰ Surface Location

UL or lot no. F	Section 19	Township 30N	Range 4W	Lot Idn	Feet from the 1635	North/South line NORTH	Feet from the 860	East/West line WEST	County 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



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information
contained herein is true and complete
to the best of my knowledge and belief

Don Graham
Signature

Don Graham

Printed Name
Production Superintendent

Title

5-14-02
Date

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: MARCH 5, 2002

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

ENERGEN RESOURCES CORPORATION CARSON #208

1635' FNL & 860' FWL, SECTION 19, T30N, R4W, N.M.P.M.
RIO ARRIBA COUNTY, NEW MEXICO



TO: NMOCD
RE: Reason for non-standard location
Carson #208
Fruitland Coal formation
nw sect.19, T30N-R4W
Date: 5/3/02

Summary:

The Carson #208 has been staked in the nw/4 of section 19 because of geologic reasons. Based on our current interpretation of the Fruitland Coal overpressured envelope boundary, a well drilled at the standard location in the sw/4 is expected to encounter low permeability coal and would probably result in an uneconomic well.

Discussion:

The Carson #208 has only one objective, the overpressured Fruitland Coal. At this time, there are no commercial Fruitland Coal wells in T30N-R4W. Energen is attempting to extend the commercial production from the west into this township, but there is significant risk associated with this drilling program.

The overpressured envelope boundary is interpreted to run NE-SW through section 19. The standard location in the sw/4 of section 19 is interpreted to either be out of the overpressured envelope, or very close to the edge (see attached map). The coal near this boundary has very low permeability. This tight coal is what forms the trap (seal) for the overpressured envelope. Wells drilled in this tight coal are typically non-commercial.

Even the location in the nw/4 of section 19 has risk associated with it, as this low permeability coal area can extend over a mile away from the overpressured envelope boundary. However, because the nw/4 is farther away from the boundary, the risk is lower than the sw/4.

The interpreted location of this boundary is based on Fruitland Coal BHP data, gas composition, and non-commercial wells (see attached map).

Greg Jennings
District Geologist, San Juan Basin
Energen Resources

Attachment: FT Coal daily prod map, with CO2 % from gas desorption

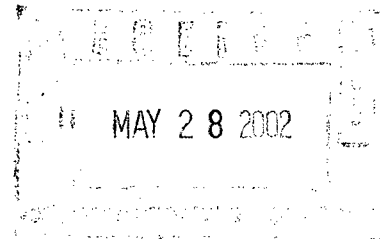


May 15, 2002

Certified Mail

7001 1940 0003 1550 3726

Ruth Zimmerman
Attn: Ms. Hazel Hart
842 Muirlands Vista Way
La Jolla, CA 92037



RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION
AND NON-STANDARD PRORATION UNIT
CARSON #208 WELL
SECTION 19-T30N-R4W
RIO ARriba COUNTY, NEW MEXICO
BASIN FRUITLAND COAL

Dear Ms. Hart:

Energen Resources Corporation (Energen) has filed with the New Mexico Oil Conservation Division (NMOCD), an Application for the Administrative Approval of an Unorthodox Location and Non-Standard Proration unit, for its Carson #208 well. A copy of the application has been attached for your review.

If you have no objection to this application, please sign 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.

Your assistance and cooperation in this matter are appreciated.

Sincerely,

Richard P. Corcoran
District Landman

RC/ga

WAIVER

Ruth Zimmerman Trust hereby waives objection to the above referenced Application for Unorthodox Location and Non-Standard Proration unit for Energen Resources Corporation's Carson #208 well.

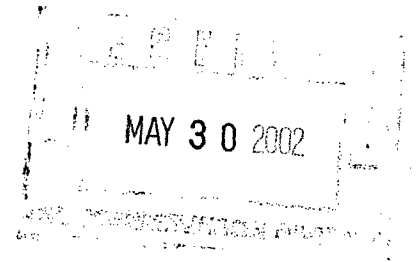
Date: 5/22/02 By: Hazel Z. Hart AIF
cc: OCD-Aztec office, BLM-Farmington office, Offset Operators

May 15, 2002

Certified Mail

7001 1940 0003 1550 3610

JABCO, LLP
Attn: Debra Coughlin
c/o Bank of America
P.O. Box 2546
Fort Worth, TX 76113-2546



RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION
AND NON-STANDARD PRORATION UNIT
CARSON #208 WELL
SECTION 19-T30N-R4W
RIO ARriba COUNTY, NEW MEXICO
BASIN FRUITLAND COAL

Dear Ms. Coughlin:

Energen Resources Corporation (Energen) has filed with the New Mexico Oil Conservation Division (NMOCD), an Application for the Administrative Approval of an Unorthodox Location and Non-Standard Proration unit, for its Carson #208 well. A copy of the application has been attached for your review.

If you have no objection to this application, please sign 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.

Your assistance and cooperation in this matter are appreciated.

Sincerely,

Richard P. Corcoran
District Landman

RC/ga

WAIVER

Bank of America, N.A. Agent
JABCO L.L.P. hereby waives objection to the above referenced Application for Unorthodox Location and Non-Standard Proration unit for Energen Resources Corporation's Carson #208 well.

Date: 5-22-02

By: Bill Bledsoe

cc: OCD-Aztec office, BLM-Farmington office, Offset Operators

Bill Bledsoe
Vice President



May 15, 2002

Certified Mail

7001 1940 0003 1550 3733

Dugan Production Corp.
Attn: David Poage
P. O. Box 420
Farmington, NM 87499

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION
AND NON-STANDARD PRORATION UNIT
CARSON #208 WELL
SECTION 19-T30N-R4W
RIO ARriba COUNTY, NEW MEXICO
BASIN FRUITLAND COAL

Dear Mr. Poage:

Energen Resources Corporation (Energen) has filed with the New Mexico Oil Conservation Division (NMOCD), an Application for the Administrative Approval of an Unorthodox Location and Non-Standard Proration unit, for its Carson #208 well. A copy of the application has been attached for your review.

If you have no objection to this application, please sign 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.

Your assistance and cooperation in this matter are appreciated.

Sincerely,

Richard P. Corcoran
District Landman

RC/ga

WAIVER

Dugan Production Corp

hereby waives objection to the above referenced Application for Unorthodox Location and Non-Standard Proration unit for Energen Resources Corporation's Carson #208 well.

Date:

5/23/2002

By:

cc: OCD-Aztec office, BLM-Farmington office, Offset Operators

ENERGEN
RESOURCES

May 15, 2002

Certified Mail

7001 1940 0003 1550 3689

MAR Oil & Gas
Attn: Mr. Leon Romero
P. O. Box 5155
Santa Fe, NM 87502

MAY 20 2002

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION
AND NON-STANDARD PRORATION UNIT
CARSON #208 WELL
SECTION 19-T30N-R4W
RIO ARriba COUNTY, NEW MEXICO
BASIN FRUITLAND COAL

Dear Mr. Romero:

Energen Resources Corporation (Energen) has filed with the New Mexico Oil Conservation Division (NMOCD), an Application for the Administrative Approval of an Unorthodox Location and Non-Standard Proration unit, for its Carson #208 well. A copy of the application has been attached for your review.

If you have no objection to this application, please sign 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.

Your assistance and cooperation in this matter are appreciated.

Sincerely,



Richard P. Corcoran
District Landman

RC/ga

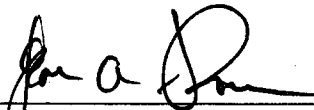
WAIVER

MAR OIL & GAS, hereby waives objection to the above referenced Application for Unorthodox Location and Non-Standard Proration unit for Energen Resources Corporation's Carson #208 well.

Date:

5/18/02

By:



cc: OCD-Aztec office, BLM-Farmington office, Offset Operators



JUN 18 2002

NSP-1856(4)

May 15, 2002

Certified Mail

7001 1940 0003 1550 3702

Thomas P. Tinnin
2303 Candelaria Road, NW
Albuquerque,, NM 87107

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION
AND NON-STANDARD PRORATION UNIT
CARSON #208 WELL
SECTION 19-T30N-R4W
RIO ARriba COUNTY, NEW MEXICO
BASIN FRUITLAND COAL

Dear Mr. Tinnin:

Energen Resources Corporation (Energen) has filed with the New Mexico Oil Conservation Division (NMOCD), an Application for the Administrative Approval of an Unorthodox Location and Non-Standard Proration unit, for its Carson #208 well. A copy of the application has been attached for your review.

If you have no objection to this application, please sign 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.

Your assistance and cooperation in this matter are appreciated.

Sincerely,

Richard P. Corcoran
District Landman

RC/ga

WAIVER

TOM TINNIN hereby waives objection to the above referenced Application for Unorthodox Location and Non-Standard Proration unit for Energen Resources Corporation's Carson #208 well.

Date: 06/17/02

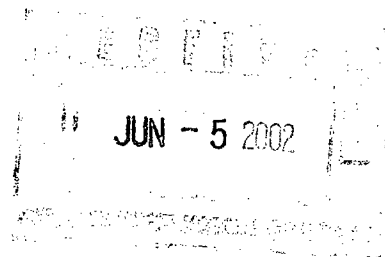
By:

cc: OCD-Aztec office, BLM-Farmington office, Offset Operators

**WELLS
FARGO**

MAC C7300-07D
Oil, Gas and Mineral Administration
P O Box 5383
Denver, CO 80217
303 863-5750 Fax

June 3, 2002



Michael E. Stogener
New Mexico Oil Conservation Division
1220 South St. Frances Drive
Santa Fe, NM 87505

Energen Resources
2198 Bloomfield Highway
Farmington, NM 87401

Re: Pool Resources Ltd Waiver
Carson #208 Well Sec 19-30N-4W
Rio Arriba County, New Mexico

Enclosed, please find your Waiver for Application for Unorthodox Location and Non-Standard Proration Unit, fully executed by Wells Fargo Bank, N.A., as Agent for Pool Resources Ltd.

Should you have any questions, or additional information, please do not hesitate to contact me at (303) 863-5728.

Sincerely,

CT Thomson

Trust Asset Assistant



May 15, 2002

Certified Mail

7001 1940 0003 1550 3627

Wells Fargo Bank, N.A., as Agent for Pool Resources, Ltd.
Attn: Elizabeth Lauer
P. O. Box 5383
Denver, CO 80217-5383

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION
AND NON-STANDARD PRORATION UNIT
CARSON #208 WELL
SECTION 19-T30N-R4W
RIO ARriba COUNTY, NEW MEXICO
BASIN FRUITLAND COAL

Dear Ms. Lauer:

Energen Resources Corporation (Energen) has filed with the New Mexico Oil Conservation Division (NMOCD), an Application for the Administrative Approval of an Unorthodox Location and Non-Standard Proration unit, for its Carson #208 well. A copy of the application has been attached for your review.

If you have no objection to this application, please sign 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.

Your assistance and cooperation in this matter are appreciated.

Sincerely,

Richard P. Corcoran
District Landman

RC/ga

WAIVER

Pool Resources Ltd hereby waives objection to the above referenced Application for Unorthodox Location and Non-Standard Proration unit for Energen Resources Corporation's Carson #208 well.

Wells Fargo Bank, N.A. as Agent for
Pool Resources, Ltd.

Date: May 20, 2002

By: _____

cc: OCD-Aztec office, BLM-Farmington office, Offset Operators

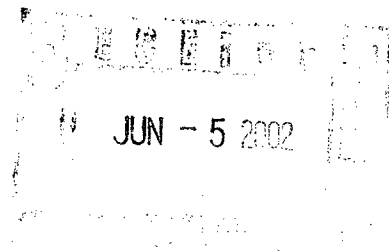
Elizabeth B. Lauer, Asst. Vice-President



PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

June 4, 2002



Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, New Mexico 87505

Re: ADMINISTRATIVE APPROVAL OF
UNORTHODOX LOCATION AND
NON-STANDARD PRORATION
UNIT FOR THE FOLLOWING:
Carson #208 in Sec. 19, T30N-R4W
and the San Juan 30-4 Unit #103
in Sec. 18, T30N-R4W both located in
Rio Arriba County, New Mexico

Dear Mr. Stogner:

Phillips Petroleum Company has executed the enclosed Waivers to the captioned applications of
ENERGEN RESOURCES.

Very truly yours,

Jim Ball
Senior Land Specialist
San Juan Basin
(505) 599-3410

Enclosures

cc: Michael L. Campbell



May 15, 2002

Certified Mail

7001 1940 0003 1550 3771

Phillips Petroleum Company
Attn: Jim Ball
5525 Highway 64
Farmington, NM 87401

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION
AND NON-STANDARD PRORATION UNIT
CARSON #208 WELL
SECTION 19-T30N-R4W
RIO ARRIBA COUNTY, NEW MEXICO
BASIN FRUITLAND COAL

Dear Mr. Ball:

Energen Resources Corporation (Energen) has filed with the New Mexico Oil Conservation Division (NMOCD), an Application for the Administrative Approval of an Unorthodox Location and Non-Standard Proration unit, for its Carson #208 well. A copy of the application has been attached for your review.

If you have no objection to this application, please sign 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.

Your assistance and cooperation in this matter are appreciated.

Sincerely,

Richard P. Corcoran
District Landman

RC/ga

WAIVER

PHILLIPS PETROLEUM COMPANY hereby waives objection to the above referenced Application for Unorthodox Location and Non-Standard Proration unit for Energen Resources Corporation's Carson #208 well.

Date: June 3, 2002

By:

**JIM BALL
SR. LAND SPECIALIST
SAN JUAN AREA**

cc: OCD-Aztec office, BLM-Farmington office, Offset Operators