

DATE <i>9.12.11</i>	SUSPENSE	ENGINEER <i>DB</i>	LOGGED <i>9.12.11</i>	TYPE <i>PTG-W</i> <i>1125550780</i>
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ABOVE THIS LINE FOR DIVISION USE ONLY
NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -

Carracas 31 B # 12H

EMERGEN
162928

ADMINISTRATIVE APPLICATION COVERSHEET

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

201136

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] 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] ☒ 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.

David M. Poage
 Print or Type Name

David M. Poage
 Signature

District Landman
 Title

9/09/11
 Date



CERTIFIED MAIL-RECEIPT REQUESTED

7009 2820 0000 6910 8952

September 9, 2011

Ms Jami Bailey
Division Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, NM 87505

RE: Application of Energen Resources Corporation for Administrative Approval of the Simultaneous Dedication of the West-Half of Section 31, Township 32 North, Range 4 West, N.M.P. M., Rio Arriba County, New Mexico to its existing Carracas 31 B #5 Well and the Carracas 31 B # 12H Well.

Dear Ms. Bailey:

Energen Resources Corporation is the operator of a 300.96 acre spacing unit in the Basin Fruitland Coal Pool (**Pool Code 71629**) comprised of the west-half of Section 31, Township 32 North, Range 4 West, N.M.P.M., Rio Arriba County, New Mexico. This spacing unit is dedicated to Energen's Carracas 31 B # 5 which was vertically drilled and is capable of production from the Fruitland Coal formation.

Energen seeks administrative approval of the simultaneous dedication of this 300.96 acre spacing unit to the following two gas wells:

A. the **Carracas 31 B # 5 well (API No. 30-039-24417)** vertically drilled from a surface location 1,770' FNL and 830' FWL of Section 31 and

B. the horizontally drilled **Carracas 31 B # 12H well (API No. 30-039-30823)** which was horizontally drilled from a surface location 994' FSL and 861' FEL of Section 30 to a bottom hole location 780' FSL and 2,093' FWL of Section 31. The casing point was at 204' FNL and 2,149' FWL of Section 31.

Neither well violates the existing set back requirements for these wells. This area has a 10' setback pursuant to R-13199.

Attached hereto for each well is a copy of Division Form C-102 for these wells that show the surface and bottom hole locations of each well. In addition also enclosed is a map of the offset operators of all offsetting spacing units. Energen Resources is the operator of all offsetting spacing units and owns 100% of the working interest in all offsetting spacing units with the Exception of Sections 5 and 6-T31N-R4W which is owned by Williams Production Company.

Energen has mailed, via USPS Certified Mail, Notice to the Affected Parties that this application has been submitted. A copy of the Notice to the Affected Parties is also attached.

The simultaneous dedication of the West-Half of said Section 31 to the Carracas 31 B # 5 and the Carracas 31 B # 12H wells will afford Energen the opportunity to efficiently produce the Fruitland Coal formation under this spacing unit. Energen's proposed simultaneous dedication of these wells does not exceed the number of wells allowed by division Rule for this spacing unit.

Your attention to this application is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "David M. Poage", with a long horizontal flourish extending to the right.

David M. Poage

District Landman

Energen Resources Corporation

Enclosures

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

Operator Nassau Resources, Inc.		Lease Carracas Unit 31 B		Well No. 5
Unit Letter E	Section 31	Township 32 North	Range 4 West	County Rio Arriba
Actual Footage Location of Well: 1770 feet from the North line and 830 feet from the West line				
Ground Level Elev. 6960	Producing Formation Fruitland	Pool Basin Fruitland Coal	Dedicated Acreage: 300.96 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Unitization - Carracas Unit

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.

NM 30015 Kindermac Partners 100%	
1770'	
830'	
SECTION 31	

RECEIVED
OIL MAIL ROOM
FEB-1 1988 9:26 AM
FARMINGTON RESOURCE AREA
FARMINGTON, NEW MEXICO

CERTIFICATION

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

Fran Perrin

Name

Fran Perrin

Position

Admin. Asst.

Company

Nassau Resources, Inc.

Date

1/31/89



Date Surveyed

August 25, 1988

Registered Professional Engineer
and/or Land Surveyor

Edgar L. Risenhofer

Certificate No. 5070

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised July 16, 2010

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-30823	² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL
⁴ Property Code 35667	⁵ Property Name CARRACAS 31B	⁶ Well Number 12H
⁷ OGRID No. 35667	⁸ Operator Name ENERGEN RESOURCES CORPORATION	⁹ Elevation 7247'

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
P	30	32N	4W		994'	SOUTH	861'	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
N	31	32N	4W		1780	SOUTH	2043	West	RIO ARRIBA

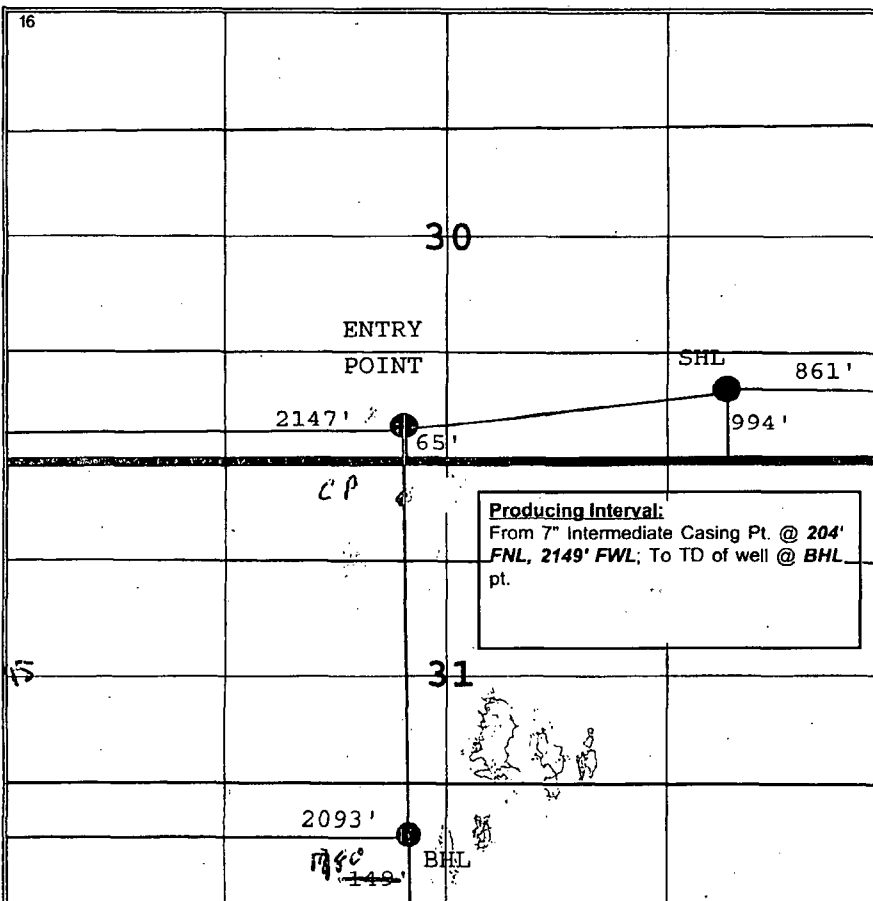
¹² Dedicated Acres 300.96 W/2	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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RCVD OCT 7 '10
OIL CONS. DIV.

DIST. 3

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.

5120'

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *[Signature]* Date: 10-4-2010

Printed Name: DEVIN MILLS

E-mail Address: DMILLS@ENERGEN.COM

E-mail Address:

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.

JULY 23, 2009

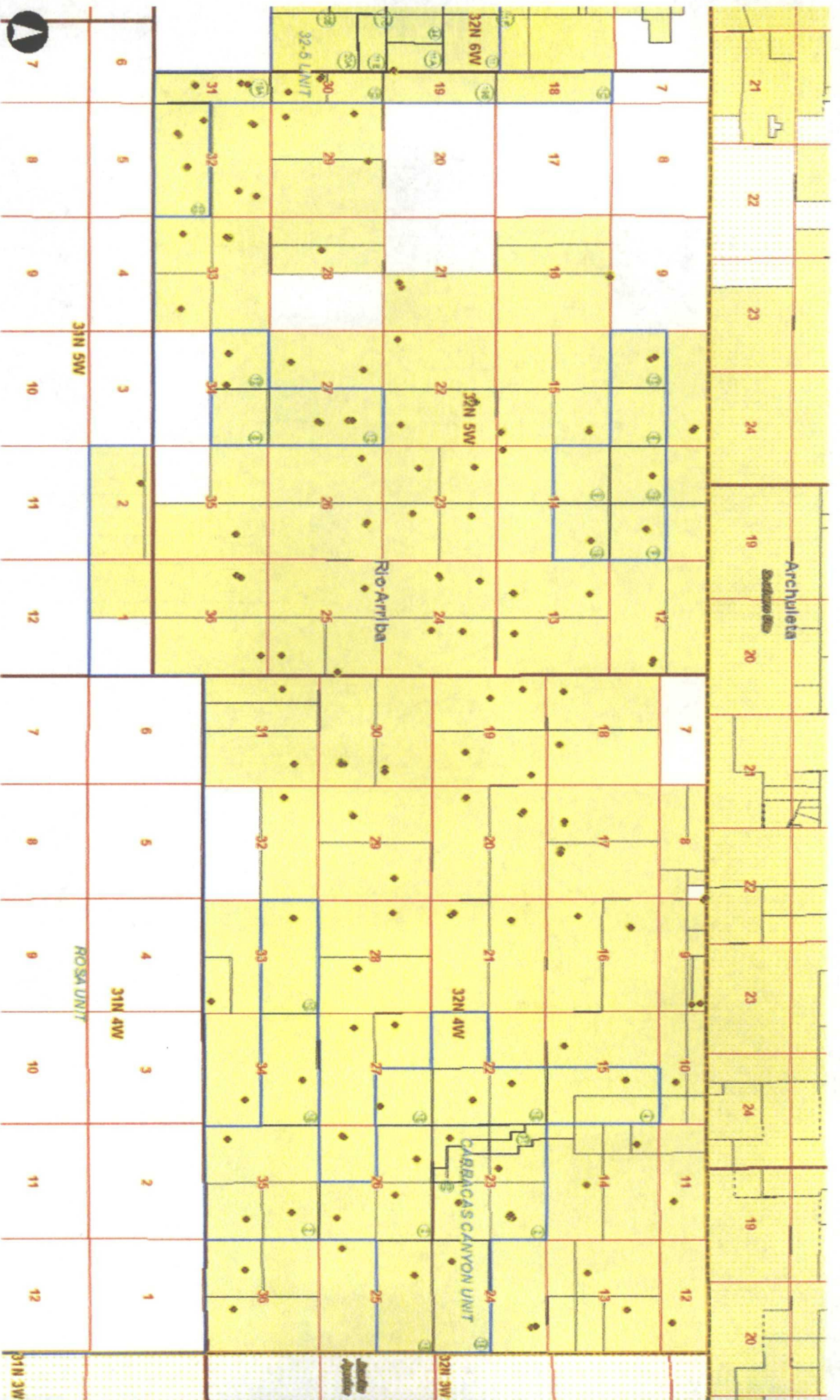
Date of Survey:

Signature and Seal of Professional Surveyor:

DAVID RUSSELL

Certificate Number

5130'





CERTIFIED MAIL –RECEIPT REQUESTED

September 9, 2011

AFFECTED INTEREST OWNERS

RE: Application of Energen Resources Corporation for simultaneous dedication, Rio Arriba County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Energen Resources Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking the simultaneous dedication of the Carracas 31 B # 5 and Carracas 31B # 12H to the West-half of Section 31-Township 32 North, Range 4 West., NMPM, Rio Arriba County, New Mexico.

As the owner of an interest that may be affected by the proposed well, you may object to this application. Objections must be filed in writing within twenty days from this date at the Division's Santa Fe office that is located at 1220 South Saint Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application for a simultaneous dedication may be approved.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "David M. Poage".

David M. Poage
District Landman
Energen Resources Corporation

Williams Production Company
P.O. Box 640
Aztec, NM 87410