

4/21/08 DATE IN	SUSPENSE	Brooks ENGINEER	4/22/08 LOGGED	NSL TYPE	PKVR0811339435
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -

*Emergen Resources Corp*  
*San Juan 30-4 Unit #58*

**San Juan 30-4 #58**

**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]

*06R10*  
*162928*

[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.

David M. Poage  
Print or Type Name

*David M. Poage*  
Signature

District Landman  
Title

4/11/08  
Date

RECEIVED  
2008 APR 21 PM 3:41  
*Ripe 5/11*  
*yes*

April 11, 2008

Certified Mail  
7005 1820 0002 8596 6227

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

RE: Administrative Approval of Unorthodox Location  
San Juan 30-4 #58 Well  
1130' FNL and 855' FWL – Surface Location  
Section 9, T30N, R4W  
Rio Arriba County, New Mexico

Dave:  
I need a New/corrected Letter  
of Point of Penetration

Thanks  
Terry Wernell  
ocd

Gentlemen:

Energén Resources Corporation (Energén) hereby requests Administrative Approval for an Unorthodox Location of its San Juan 30-4 #58 Pictured Cliffs formation well under the provisions of New Mexico Oil Conservation Division, East Blanco Pictured Cliffs Pool rules.

This well is surface located in the NW/4 of Section 9-T30N-R4W, Rio Arriba County, New Mexico and is dedicated to a unit consisting of the E/2 of Section 10 and W/2 of Section 10 in the East Blanco Pictured Cliffs gas pool.

This well is located closer than 660' from the western unit boundary by 550' as it will enter the coal 1130' FNL and 855' FWL. This well is within the boundaries of the San Juan 30-4 Unit. This location is being drilled as a horizontal sidetrack well bore and is situated so that the longest lateral can be accessed. This additional length is required to provide for the potential for the production of the most reserves and the best possible economics for this well. An explanation of this reasoning is attached.

Energén is concurrently notifying all offsetting spacing unit owners and requesting that approval be granted for this application.

Please note that this acreage is within the Pictured Cliffs Participating Area of the San Juan 30-4 Unit. The owners of the well and the offsetting owners are common.

Attached is a well location plat showing dedicated acreage (C102), a plat showing the offsetting spacing units and a topographic map.

Your favorable consideration of this request would be appreciated.

Sincerely,

*David M. Poage*

David M. Poage  
District Landman

505-325-6800

Dtr. 4133  
224

320 ~ 160  
(7 acre)

This is surface location!

NE/4 - 9 NW/4 -

P.C. unit on Lot!

Need to clarify this includes SW/489, since that is only offset not in the PA inc. SW/4 sec 4

TRANSACTION REPORT

P. 01

JUN-24-2008 TUE 03:14 PM

FOR:

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
JUN-24	03:13 PM	915053266112	1' 00"	1	SEND	OK	624	

TOTAL : 1M 0S PAGES: 1

**ENERGEN**  
RESOURCES

April 11, 2008

Certified Mail  
7005 1820 0002 8596 6227

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

RE: Administrative Approval of Unorthodox Location  
San Juan 30-4 #58 Well  
1130' FNL and 855' FWL - Surface Location  
Section 9, T30N, R4W  
Rio Arriba County, New Mexico

*Dave:*  
*I need a New/corrected Letter*  
*of Point of Penetration*

*Thanks*  
*Terry Wernell*  
*ocd*

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This well is surface located in the NW/4 of Section 9-T30N-R4W, Rio Arriba County, New Mexico and is dedicated to a unit consisting of the NE/4 of Section 9 and NW/4 of Section 10 in the East Blanco Pictured Cliffs gas pool.

This well is located closer than 660' from the western unit boundary by 550' as it will enter the pool 1120'

*(over)*

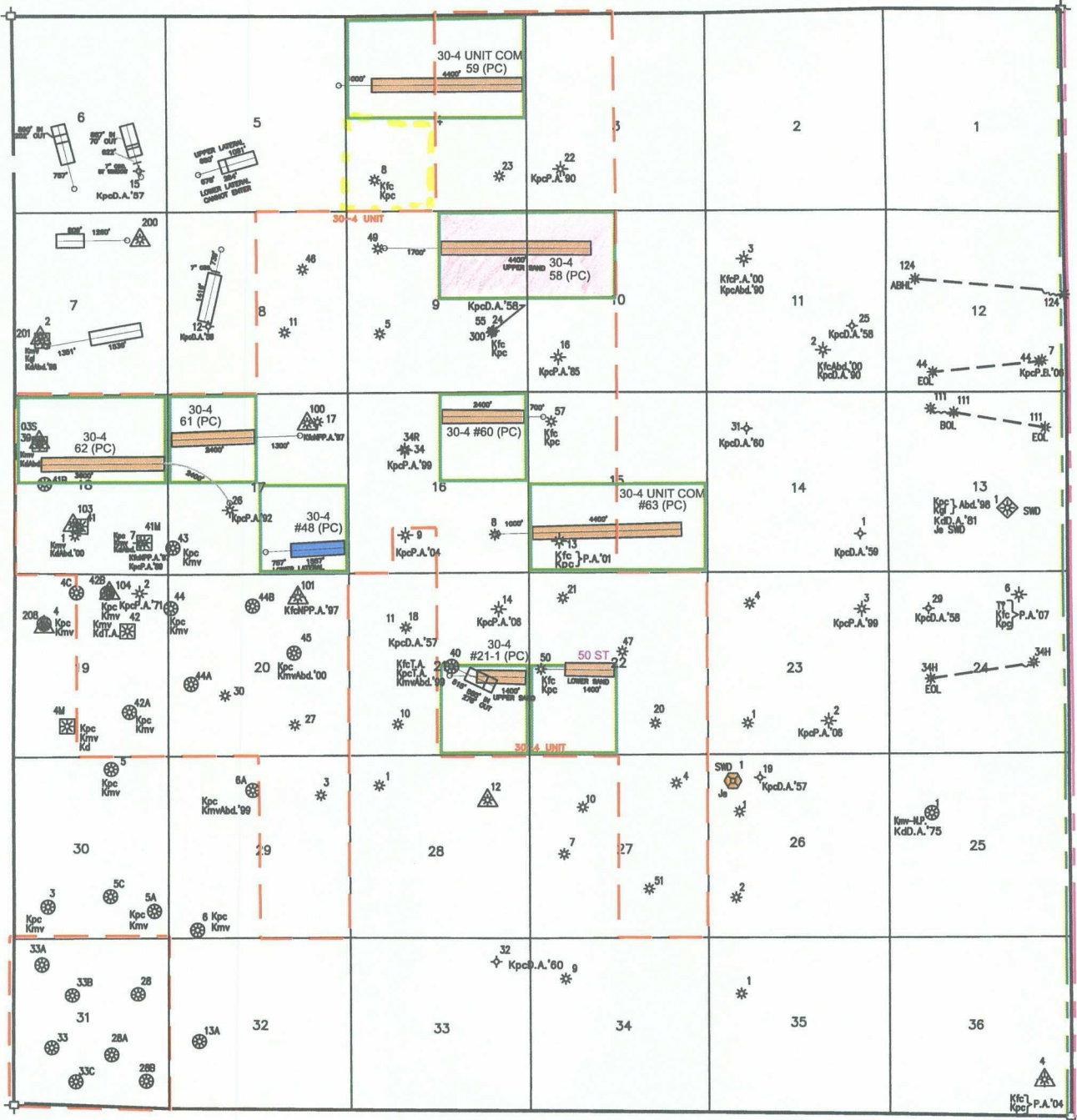
*NE/4 9 NW/4*

*P.C.*

*unit*

# RANGE 4 WEST

TOWNSHIP 30 NORTH



## PRODUCING INTERVAL

Kfm *	FARMINGTON	Kfm	
Kl *	KIRTLAND	Kl	
Fr *	FRUITLAND	Fr	
Fr *	FRUITLAND	Fr	
PC *	PICTURED CLIFFS	Kpc	
Ch *	CHACRA	Ka	
Mv *	MESAVERDE	Kmv	
G *	GALLUP	Kg	
D *	DAKOTA	Kd	
ALL PRODUCTION BELOW CRETACEOUS			

## LEGEND

- 30-4 FEDERAL UNIT & PICTURED CLIFFS PARTICIPATING AREA
- PICTURED CLIFFS SPACING UNIT
- COMPLETED PICTURED CLIFFS HORIZONTAL WELL
- PROPOSED PICTURED CLIFFS HORIZONTAL WELL

**ENERGEN**  
RESOURCES

Rio Arriba New Mexico

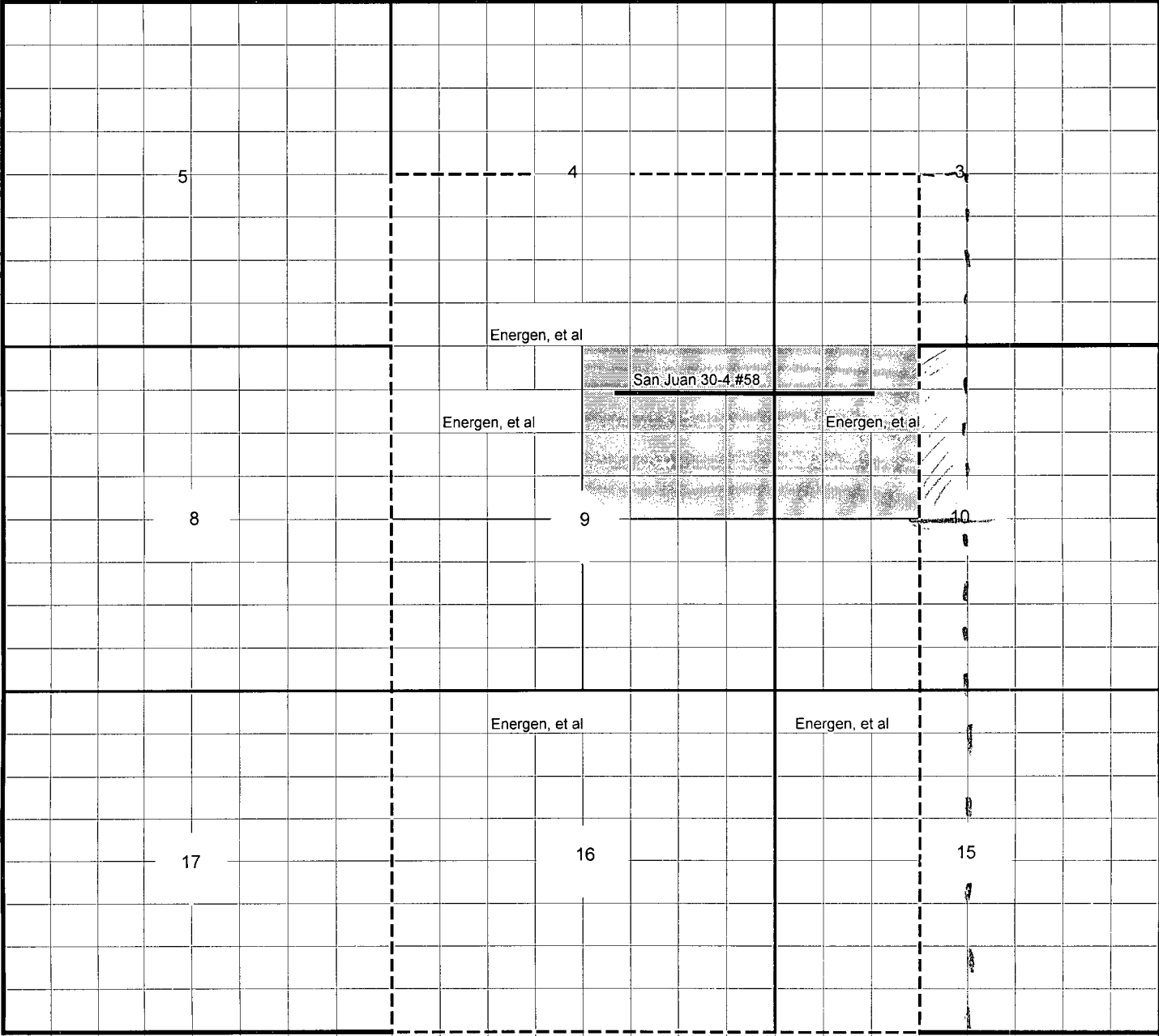
NON- STANDARD LOCATIONS  
REQUEST - 30-4 UNIT AREA

DATE: MARCH, 2006

SCALE: N.T.S.

FILE: COM\SUNW\30-4 PC-NEL

San Juan 30-4 #58  
Section 9-T30N-R4W  
Rio Arriba County, New Mexico  
Offset Operators Plat



Please see attached list of all PA owners

San Juan 30-4 Unit #58  
Administrative Approval of Unorthodox Location  
Affected Owners

*Affected  
Owners*

**JABCO, LLP**

Attn: Debra Coughlin  
c/o Nations Bank of Texas, N.A.  
P. O. Box 2546  
Fort Worth, TX 76113-2546

**Navatex Energy, LP**

Zia Data Search Corporation  
Oil & Gas Accounting Services  
P. O. Drawer 2188  
Roswell, NM 88202

**Providence Minerals**

Attn: Karen Herbst  
14860 Montfort Drive, Suite 209  
Dallas, TX 75240

**Rio Aribagas**

c/o Eddye Dreyer Management Co., as  
Agent  
4925 Greenville Avenue Suite 900  
Dallas, TX 75206

**J&M Raymond, Ltd.**

**TAMACAM, LLC.**

**Charles W. Gay**

**Lorrayn Gay Hacker**

P O BOX 291445  
Kerrville, TX 78029-1445

**Thomas P. Tinnin**

Attn: Mr. Tinnin  
2303 Candelaria Road, NW  
Albuquerque, NM 87107

**MAR Oil & Gas**

Attn: Mr. Leon Romero  
PO Box 5155  
Santa Fe, NM 87502

**Tinnin Law Firm, A Professional  
Corporation**

500 Marquette, NW, Suite 1300  
Albuquerque, NM 87102

**ConocoPhillips Company**

Attn: Ms. Cherylene Charley  
PO Box 4289  
Farmington, NM 87499

**T. H. McElvain Oil & Gas**

Attn: Rick Harris  
1050 17<sup>th</sup> Street, Suite 1800  
Denver, CO 80265

**Ruth Zimmerman**

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

**Dugan Production Corporation**

PO Box 420  
Farmington NM 87499

RECEIVED

2008 MAY 1 PM 12 09

April 16, 2008

Certified Mail  
7005 1820 0002 8596 5794

Providence Minerals  
Attn: Karen Herbst  
14860 Montfort Drive  
Suite 209  
Dallas, TX 75240

Re: Administrative Approval of Unorthodox Location  
San Juan 30-4 #58  
1130' FNL and 855' FWL  
Section 9-T30N-R4W  
Rio Arriba County, New Mexico

RECEIVED  
APR 21 2008

Dear Ms. Herbst:

Energen Resources Corporation (Energen) has filed with the New Mexico Oil Conservation Division (NMOCD), an application for the Administrative Approval of an Unorthodox location for its San Juan 30-4 #58 well. A copy of the application has been attached for your review.

If you have no objection to this unorthodox location, please sign the three copies of the attached waiver and within twenty (20) days of the receipt of this letter, return one (1) executed copy to the NMOCD at 1220 South Francis Drive, Santa Fe, New Mexico 87505, one (1) copy to our office and retain one (1) copy for your files.

Your cooperation in this matter is appreciated.

Sincerely,

*Gillian Black*

Gillian Black  
Land Assistant

/gb

---

WAIVER

Providence Minerals Hereby waives objection to the above referenced Application for Unorthodox Location for Energen Resources Corporation's San Juan 30-4 #58 well.

Date: 4-23-08 By: Mike Allen  
Cc: OCD-Aztec Office, BLM-Farmington office, Offset operators

RECEIVED

2008 MAY 9 PM 2 37

April 16, 2008

Certified Mail  
7005 1820 0002 8596 5930

J&M Raymond, Ltd. *et al*  
Raymond & Sons I, LLC, General Partner  
Attn: James Raymond  
P.O. Box 291445  
Kerrville, TX 78029-1445

Re: Administrative Approval of Unorthodox Location  
San Juan 30-4 #58  
1130' FNL and 855' FWL  
Section 9-T30N-R4W  
Rio Arriba County, New Mexico

Dear Mr. Raymond:

Energen Resources Corporation (Energen) has filed with the New Mexico Oil Conservation Division (NMOCD), an application for the Administrative Approval of an Unorthodox location for its San Juan 30-4 #58 well. A copy of the application has been attached for your review.

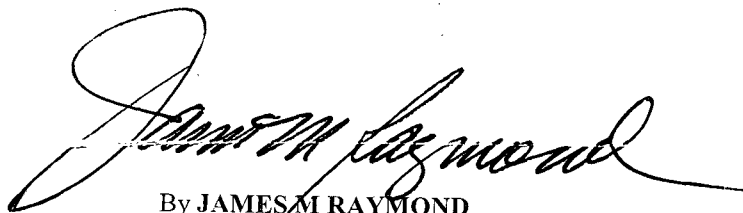
If you have no objection to this unorthodox location, please sign the three copies of the attached waiver and within twenty (20) days of the receipt of this letter, return one (1) executed copy to the NMOCD at 1220 South Francis Drive, Santa Fe, New Mexico 87505, one (1) copy to our office and retain one (1) copy for your files.

Your cooperation in this matter is appreciated.

Sincerely,

*Gillian Black*  
Gillian Black  
Land Assistant

/gb



By **JAMES M RAYMOND**  
as President of Raymond & Sons I, LLC  
General Partner of **J & M RAYMOND, LTD**  
and as Agent and Attorney in Fact for  
**TAMACAM LLC** and

**CHARLES W GAY** and **LORRAYN GAY HACKER**

\_\_\_\_\_  
WAIVER

\_\_\_\_\_  
Hereby waives objection to the above referenced Application for Unorthodox Location for Energen Resources Corporation's San Juan 30-4 #58 well.

Date: 5/5/08

Cc: CCD-Aztec Office, BLM-Farmington office, Offset operators





RECEIVED

2008 APR 22 PM 3 34

April 16, 2008

Certified Mail  
7005 1820 0002 8596 5909

Tinnin Law Firm, A Professional Corporation  
500 Marquette, NW, Suite 1300  
Albuquerque, NM 87102

Re: Administrative Approval of Unorthodox Location  
San Juan 30-4 #58  
1130' FNL and 855' FWL  
Section 9-T30N-R4W  
Rio Arriba County, New Mexico

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 for its San Juan 30-4 #58 well. A copy of the application has been attached for your review.

If you have no objection to this unorthodox location, please sign the three copies of the attached waiver and within twenty (20) days of the receipt of this letter, return one (1) executed copy to the NMOCD at 1220 South Francis Drive, Santa Fe, New Mexico 87505, one (1) copy to our office and retain one (1) copy for your files.

Your cooperation in this matter is appreciated.

Sincerely,

*Gillian Black*

Gillian Black  
Land Assistant

/gb

---

WAIVER

Tinnin Law Firm, A Professional Corporation Hereby waives objection to the above referenced Application for Unorthodox Location for Energen Resources Corporation's San Juan 30-4 #58 well.

Date: 4/21/08 By: [Signature]  
Cc: OCD-Aztec Office, BLM-Farmington office, Offset operators

DISTRICT I  
1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised October 12, 2005

DISTRICT II  
1301 W. Grand Avenue, Artesia, N.M. 88210

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name SAN JUAN 30-4 UNIT			6 Well Number 58
7 GRID No.		8 Operator Name ENERGEN RESOURCES CORPORATION			9 Elevation 7461'

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
D	9	30N	4W		1130'	NORTH	855'	WEST	RIO ARRIBA

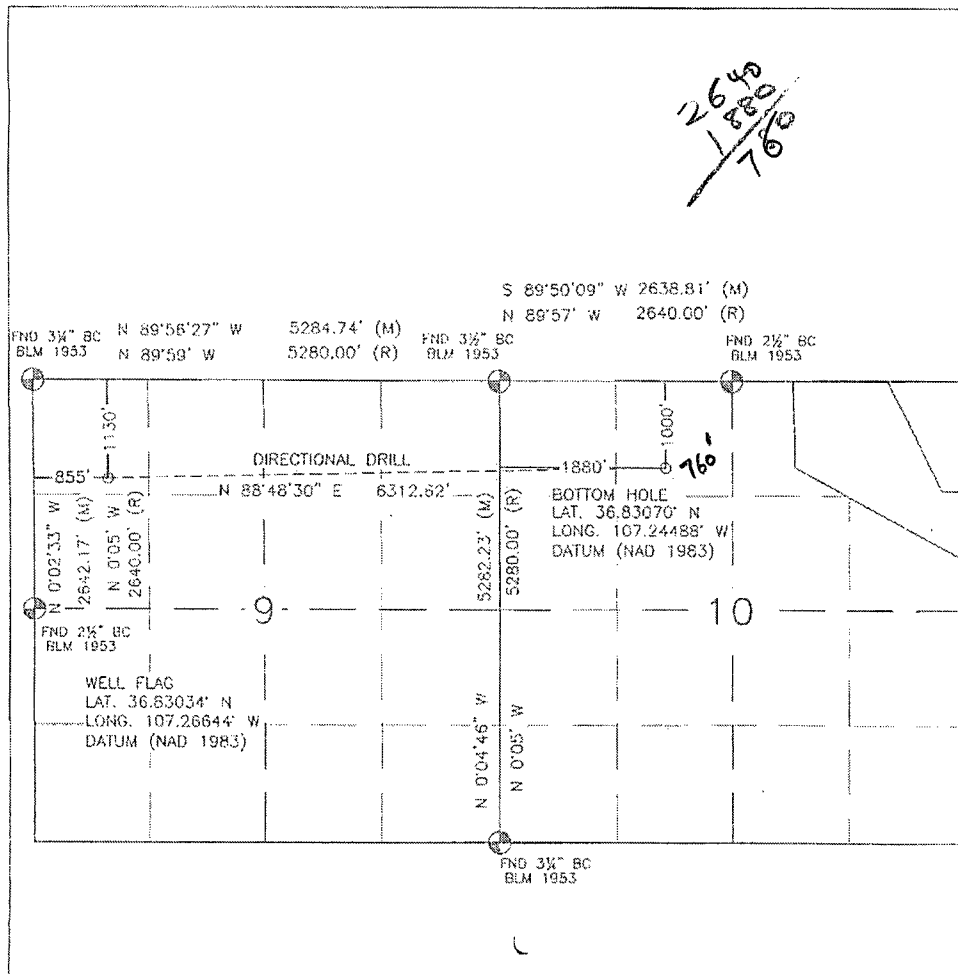
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	10	30N	4W		1000'	NORTH	1880'	WEST	RIO ARRIBA

12 Dedicated Acreage <b>7320</b>	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

16



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 or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

18 SURVEYOR CERTIFICATION

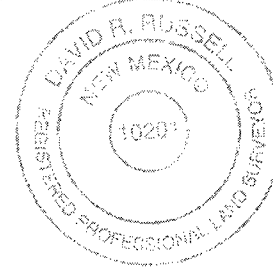
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

NOVEMBER 7, 2007

Date of Survey

Signature and Seal of Professional Surveyor

*David R. Russell*



DAVID RUSSELL

Certificate Number

10201

# ENERGEN RESOURCES CORPORATION

SAN JUAN 30-4 UNIT #58

1130' FNL & 855' FWL

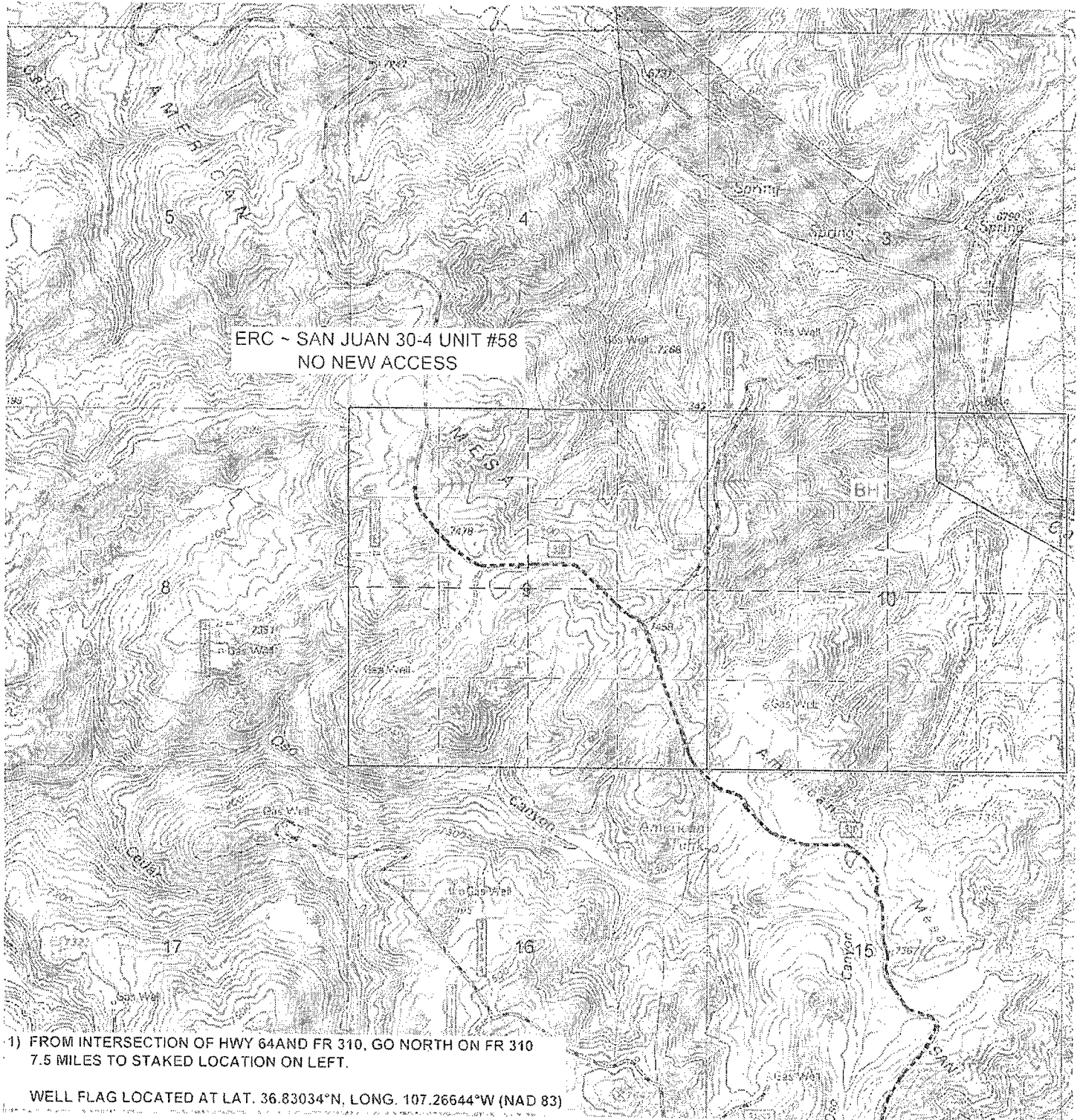
LOCATED IN THE NW/4 NW/4 OF SECTION 9.

T30N, R4W, N.M.P.M.

RIO ARriba COUNTY, NEW MEXICO

GROUND ELEVATION: 7461', NAVD 88

NO NEW ACCESS



U.S.G.S. QUAD: ESPINOSA RANCH

SCALE: 1" = 2000' (1:24,000)

JOB No.: ERG190

DATE: 11/19/07

NEW OR RECONSTRUCTED ROADS MUST MEET  
SMA DESIGN STANDARDS  
INSTALL CULVERTS AS NEEDED

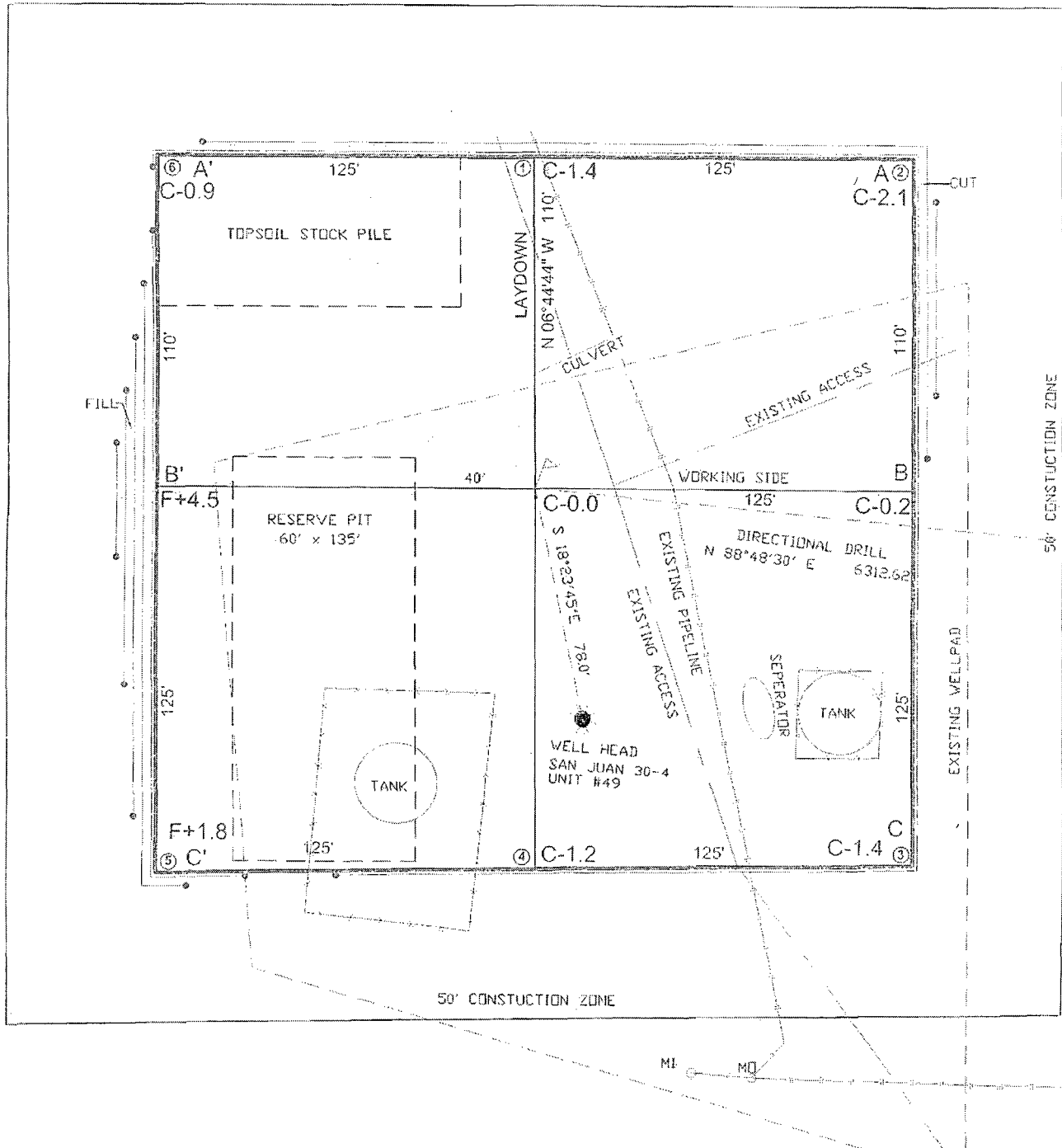
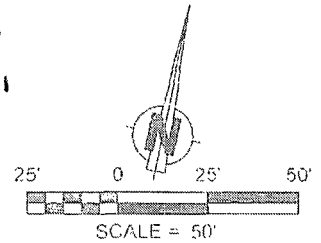


Russell Surveying  
1409 W. Aztec Blvd. #2  
Aztec, New Mexico 87410  
(505) 334-8637

LATITUDE: 36.83034°N  
LONGITUDE: 107.26644°W  
DATUM: NAD 83

# ENERGEN RESOURCES CORPORATION

SAN JUAN 30-4 UNIT #58  
1130' FNL & 855' FWL  
LOCATED IN THE NW/4 NW/4 OF SECTION 97,  
T30N, R4W, N.M.P.M.,  
RIO ARriba COUNTY, NEW MEXICO  
GROUND ELEVATION: 7461', NAVD 88  
FINISHED PAD ELEVATION: 7461.3', NAVD 88



1 FOOT CONTOUR INTERVAL SHOWN  
SCALE: 1" = 50'  
JOB No.: ERG190  
DATE: 11/19/07



Russell Surveying  
1409 W. Aztec Blvd. #2  
Aztec, New Mexico 87410  
(505) 334-8637

# ENERGEN RESOURCES CORPORATION

SAN JUAN 30-4 UNIT #58

1130' FNL & 855' FWL

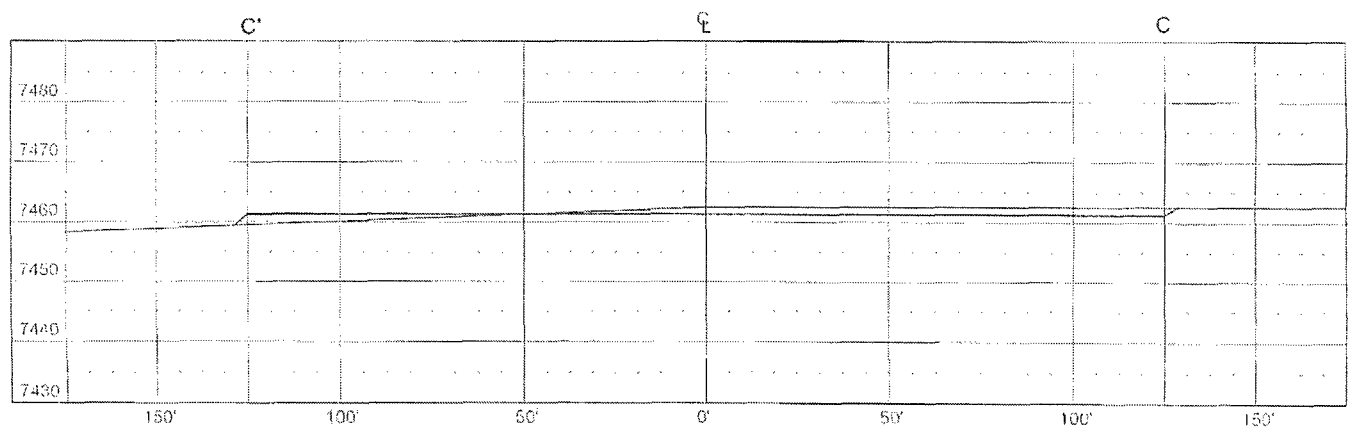
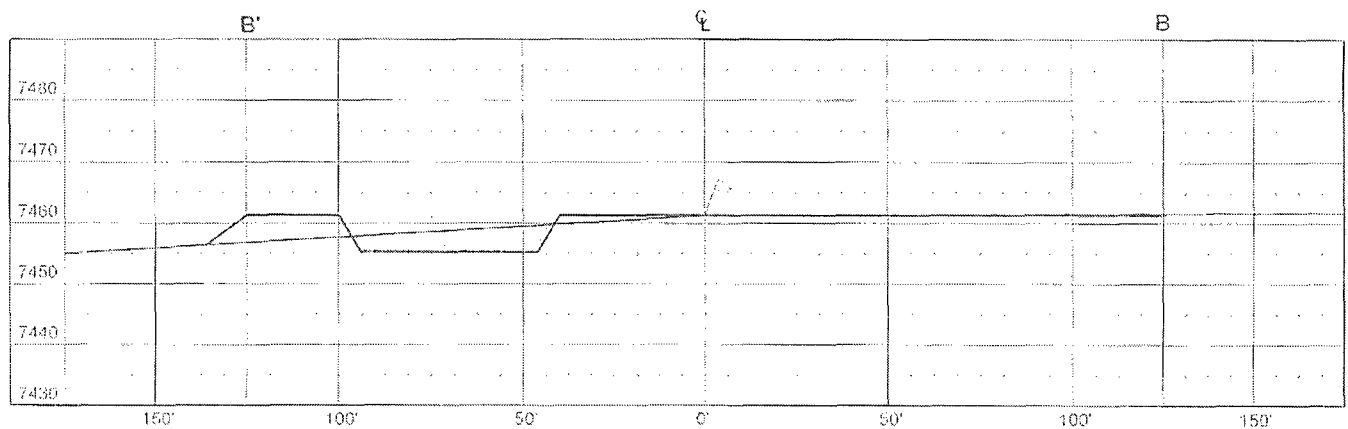
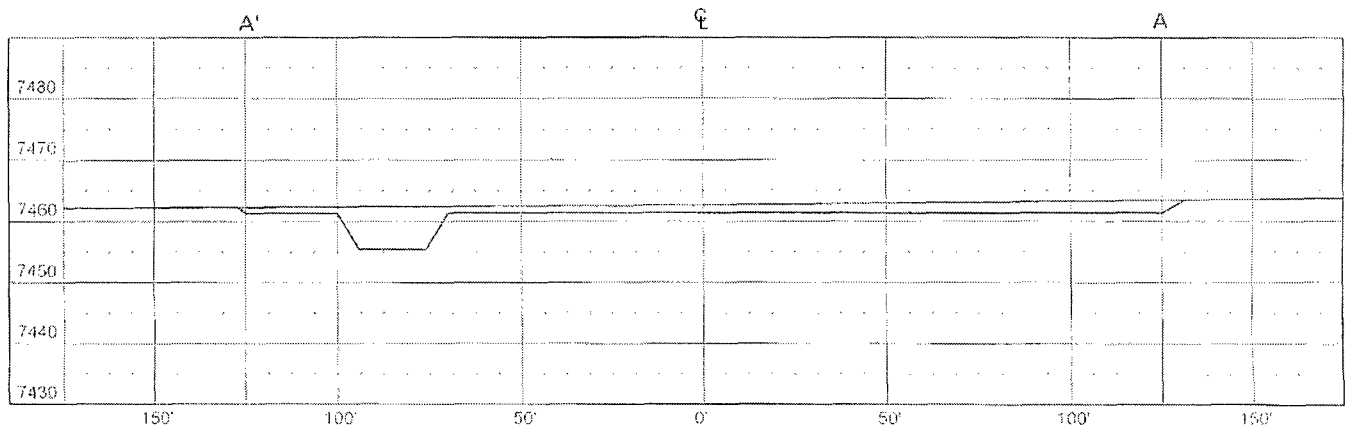
LOCATED IN THE NW/4 NW/4 OF SECTION 9,

T30N, R4W, N.M.P.M.,

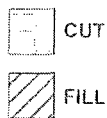
RIO ARriba COUNTY, NEW MEXICO

GROUND ELEVATION: 7461', NAVD 88

FINISHED PAD ELEVATION: 7461.3', NAVD 88



VERT. SCALE: 1" = 30'  
 HORZ. SCALE: 1" = 50'  
 JOB No.: ERG190  
 DATE: 11/19/07



**Russell Surveying**  
 1409 W. Aztec Blvd. #2  
 Aztec, New Mexico 87410  
 (505) 334-8637



July 1, 2008

Certified Mail  
7005 1820 0002 8596 6043

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

RE: Administrative Approval of Unorthodox Location  
San Juan 30-4 #58 Well  
1130' FNL and 855' FWL – Surface Location  
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Rio Arriba County, New Mexico

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This well is located closer than 660' from the western unit boundary by 650' as it will enter the Pictured Cliffs 10 feet from the mid point of Section 9-T30N-R4W. This well is within the boundaries of the San Juan 30-4 Unit. This location is being drilled as a horizontal sidetrack well bore and is situated so that the longest lateral can be accessed. This additional length is required to provide for the potential for the production of the most reserves and the best possible economics for this well. An explanation of this reasoning is attached.

Energen is concurrently notifying all offsetting spacing unit owners and requesting that approval be granted for this application.

Please note that this acreage is within the Pictured Cliffs Participating Area of the San Juan 30-4 Unit. The owners of the well and the offsetting owners are common.

Attached is a well location plat showing dedicated acreage (C102), a plat showing the offsetting spacing units and a topographic map.

Your favorable consideration of this request would be appreciated.

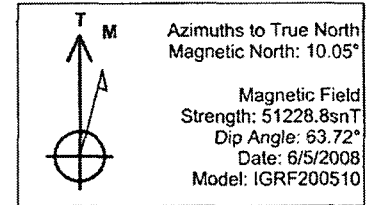
Sincerely,

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

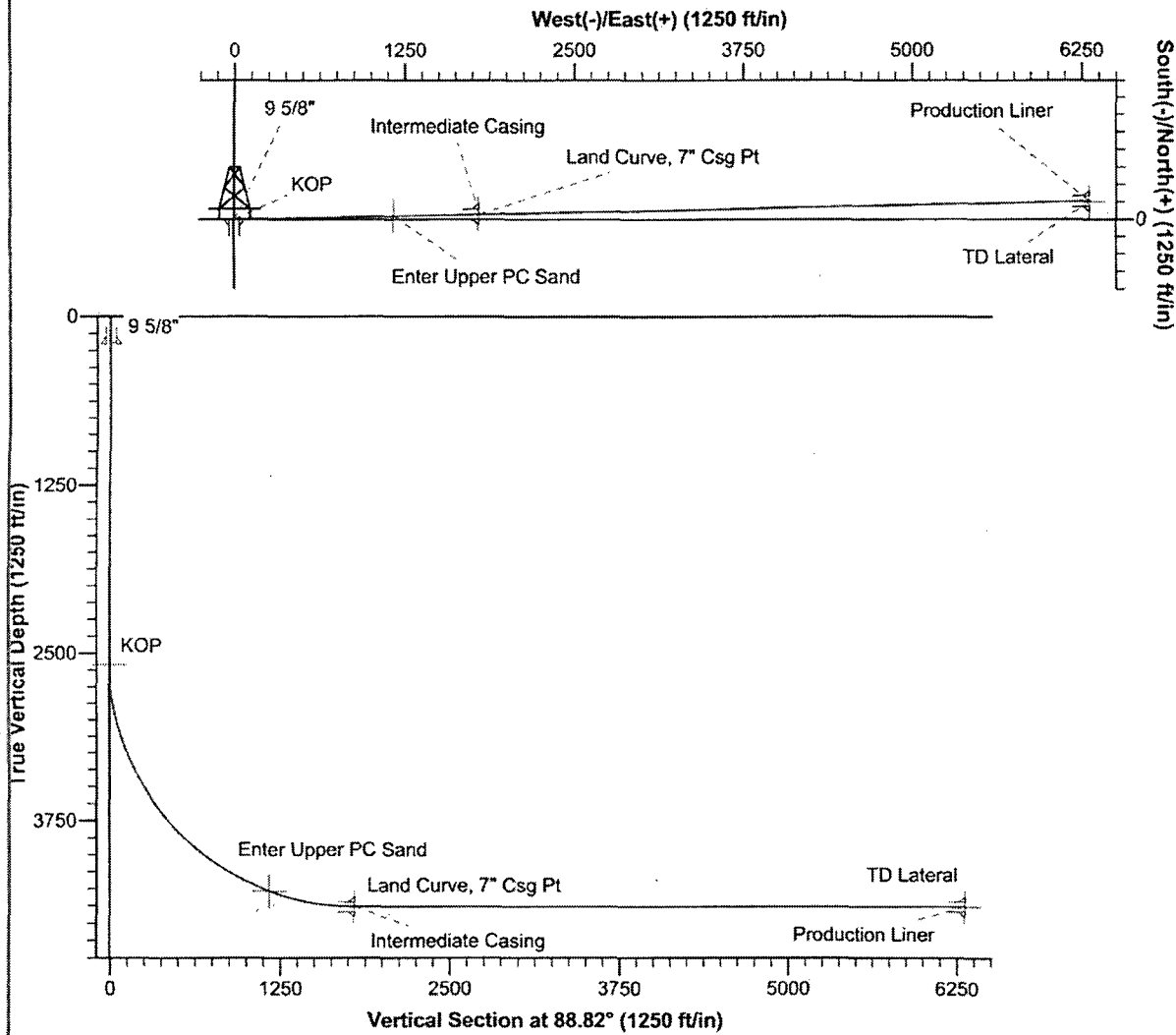
David M. Poage  
District Landman

**Project:** NW Sec 10, T30N, R4W  
**Site:** American Mesa  
**Well:** San Juan 30-4 Unit #58  
**Wellbore:** Preliminary Plan  
**Plan:** Plan #1 (San Juan 30-4 Unit #58/Preliminary Plan)

<b>PROJECT DETAILS: NW Sec 10, T30N, R4W</b>	
<b>Geodetic System:</b>	US State Plane 1983
<b>Datum:</b>	North American Datum 1983
<b>Ellipsoid:</b>	GRS 1980
<b>Zone:</b>	New Mexico Central Zone
<b>System Datum:</b>	Mean Sea Level



SECTION DETAILS										
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	2585.0	0.00	0.00	2585.0	0.0	0.0	0.00	0.00	0.0	KOP
3	4774.1	69.68	88.82	4273.0	24.2	1174.7	3.18	88.82	1174.9	Enter Upper PC Sand
4	5412.4	90.00	88.82	4385.0	37.1	1799.6	3.18	-0.01	1800.0	Land Curve, 7" Csg Pt
5	9922.5	90.00	88.83	4385.0	129.9	6308.7	0.00	103.91	6310.0	TD Lateral



District II  
PO Drawer DD, Artesia, NM 88211-0719

## OIL CONSERVATION DIVISION

PO Box 2088  
Santa Fe, NM 87504-2088

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number <b>30-039-26607</b>	*Pool Code 72400	*Pool Name East Blanco Pictured Cliffs
*Property Code <b>21994</b>	*Property Name SAN JUAN 30-4 UNIT	*Well Number 49
*GRID No. 162928	*Operator Name ENERGEN RESOURCES CORPORATION	*Elevation 7451'

## 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
D	9	30N	4W		1205	NORTH	905	WEST	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

*Dedicated Acres 160	*Joint or Infill	*Consolidation Code	*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

	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i></p> <p>Signature Gary Brink</p> <p>Printed Name Production Superintendent</p> <p>Title 12/8/01</p> <p>Date</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>AUGUST 3, 2000</p> <p>Date of Survey</p> <p>Signature and Seal of Nealeg Edwards</p> <p><i>[Signature]</i></p> <p>Certificate NEALEG EDWARDS NEW MEXICO 6857 REGISTERED PROFESSIONAL SURVEYOR</p>
	<p>5280.00'</p>






Email  
Reg  
6-13-08  
TW.

Order # 5842

April 10, 2008

To: NMOCD

From: Don Lehman   
Sr. Geologist  
Western Region

RE: Energen Resources 30-4 Unit #58, Sec 9 T30N-R4W, Rio Arriba Co., NM  
Reduced set-backs/non-standard location request

Energen Resources (ERC) has plans to drill multiple Pictured Cliffs horizontal wells in the San Juan 30-4 Federal Unit and Participating Area and requests reduced set-backs and a non-standard location to drill the above referenced well for the following reasons:

1. In order to obtain maximum horizontal length for economic well performance, we are requesting 10' set-backs from interior PA boundaries. Many vertical wells in the 30-4 area are marginal or uneconomic; maximum length horizontal is proving to be the technology of choice to profitably produce these marginal reservoirs.
2. To more efficiently drain the Pictured Cliffs reservoir, minimizing waste and providing for fewer wells to be drilled in the same surface area.
3. Correlative Rights will be protected. The NSL is only being requested where there is common ownership at the beginning and or ending points of the horizontal leg.
4. Existing well pads are being utilized wherever possible to reduce surface disturbance and minimize new road construction.

The #58 well will be drilled from the existing surface pad of the #49 well located in the NWNW of section 9. The drilling spacing unit will be the NE/4 of section 9 and NW/4 of section 10. The NSL is only being requested for the entry point of this well in the NW/4 of section 9, on the west end of the spacing unit. Please refer to the enclosed map showing the wellbore geometry described above. Please contact the above if any questions.

cc: David Poage

Attachment: Map of SJ 30-4 Federal Unit/Pictured Cliffs PA and proposed horizontal wells

**Project: NW Sec 10, T30N, R4W**  
**Site: American Mesa**  
**Well: San Juan 30-4 Unit #58**  
**Wellbore: Preliminary Plan**  
**Plan: Plan #1 (San Juan 30-4 Unit #58/Preliminary Plan)**

**PROJECT DETAILS: NW Sec 10, T30N, R4W**

Geodetic System: US State Plane 1983  
Datum: North American Datum 1983  
Ellipsoid: GRS 1980  
Zone: New Mexico Central Zone  
  
System Datum: Mean Sea Level

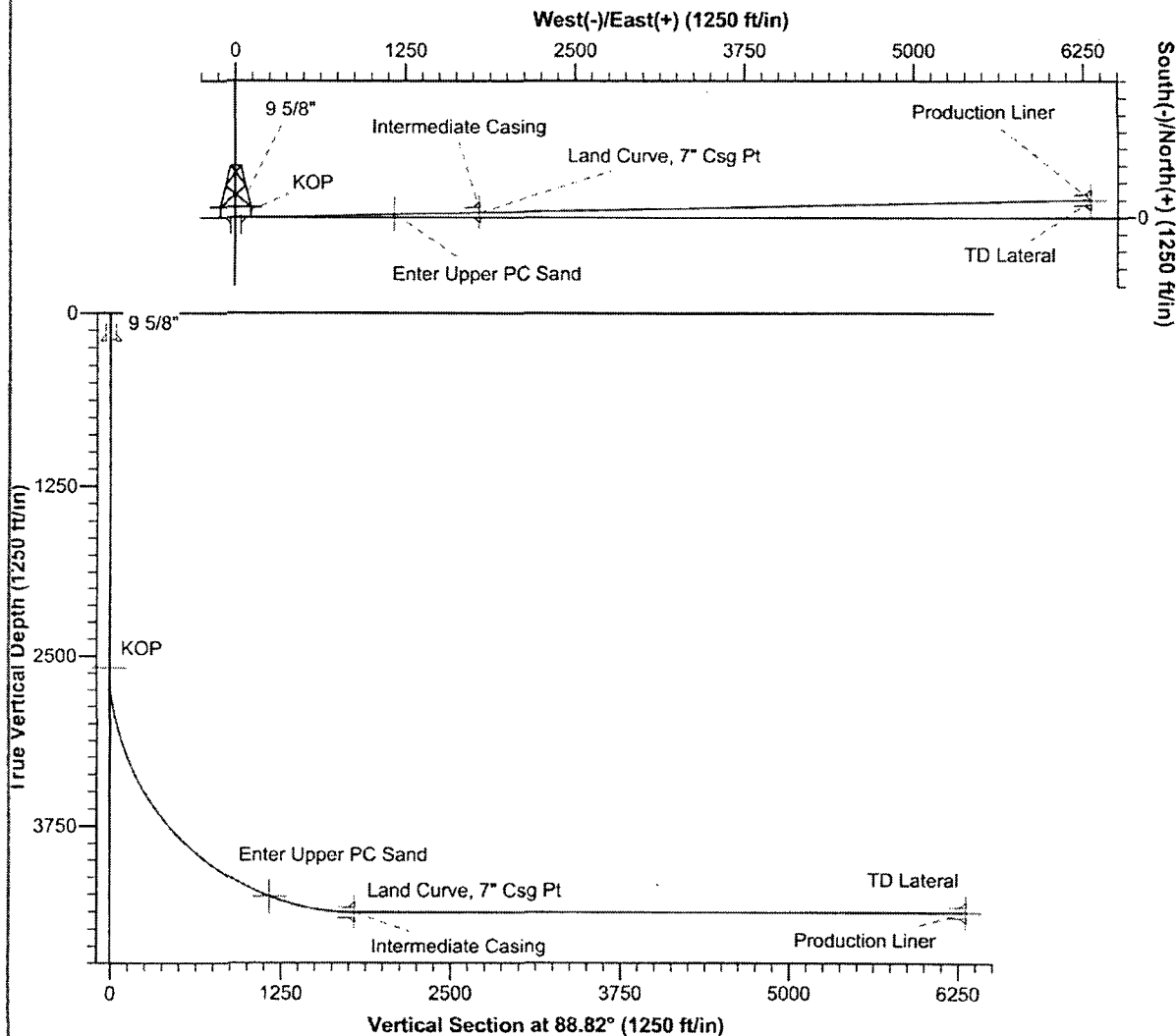


Azimuths to True North  
Magnetic North: 10.05°

Magnetic Field  
Strength: 51228.8snT  
Dip Angle: 63.72°  
Date: 6/5/2008  
Model: IGRF200510

**SECTION DETAILS**

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	2585.0	0.00	0.00	2585.0	0.0	0.0	0.00	0.00	0.0	KOP
3	4774.1	69.68	88.82	4273.0	24.2	1174.7	3.18	88.82	(1174.9)	Enter Upper PC Sand
4	5412.4	90.00	88.82	4385.0	37.1	1799.6	3.18	-0.01	1800.0	Land Curve, 7" Csg Pt
5	9922.5	90.00	88.83	4385.0	129.9	6308.7	0.00	103.91	6310.0	TD Lateral



## SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Navatex Energy, LP  
Zia Data Search Corporation  
Oil & Gas Accounting Services  
P. O. Drawer 2188  
Roswell, NM 88202

2. Article Number  
(Transfer from service label)

7005 1820 0002 8596 5862

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

x *J. B. D.*

- ☐ Agent  
☐ Addressee

## B. Received by (Printed Name)

*J. B. D.*

## C. Date of Delivery

*4-22-08*

- D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

- ☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

New Mexico Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, NM 87505

2. Article Number  
(Transfer from service label)

7005 1820 0002 8596 6227

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

x *J. B. D.*

- ☐ Agent  
☐ Addressee

## B. Received by (Printed Name)

*Joe Sanchez*

## C. Date of Delivery

*4-21*

- D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

- ☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

T. H. McElvain Oil & Gas  
Attn: Rick Harris  
1050 17<sup>th</sup> Street, Suite 1800  
Denver, CO 80265

2. Article Number  
(Transfer from service label)

7005 1820 0002 8596 5916

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

x *T. H. McElvain*

- ☐ Agent  
☐ Addressee

## B. Received by (Printed Name)

*T. H. McElvain*

## C. Date of Delivery

*APR 21 2008*

- D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

- ☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

J&M Raymond, Ltd.  
TAMACAM, LLC  
Charles W. Gay  
Lorrayn Gay Hacker  
P O BOX 291445  
Kerrville TX 78029-1445

## 2. Article Number

(Transfer from service label)

7005 1820 0002 8596 5930

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature



- ☒ Agent  
☐ Addressee

## B. Received by (Printed Name)

J. Carlton

## C. Date of Delivery

4/21/08

- D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

ConocoPhillips Company  
Attn: Ms. Cherylene Charley  
PO Box 4289  
Farmington NM 87499

## 2. Article Number

(Transfer from service label)

7005 1820 0002 8596 5886


PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature



- ☐ Agent  
☐ Addressee

## B. Received by (Printed Name)

J. Carlton

## C. Date of Delivery

4-22-08

- D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Rio Arribagas  
c/o Eddy Dreyer Management Co., as Agent  
4925 Greenville Avenue Suite 900  
Dallas, TX 75206

## 2. Article Number

(Transfer from service label)

7005 1820 0002 8596 5879

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature



- ☐ Agent  
☐ Addressee

## B. Received by (Printed Name)

J. Carlton

## C. Date of Delivery

4/21

- D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

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

## 2. Article Number

(Transfer from service label)

7005 1820 0002 8596 5923

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X

- ☐ Agent  
☐ Addressee

## B. Received by (Printed Name)

Date of Delivery

APR 23 2008

## D. Is delivery address different from item 1?

- ☐ Yes  
☐ No

If YES, enter delivery address below:

## 3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

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

## 2. Article Number

(Transfer from service label)

7005 1820 0002 8596 5893

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X

- ☐ Agent  
☐ Addressee

## B. Received by (Printed Name)

C. Date of Delivery

4/19/08

## D. Is delivery address different from item 1?

- ☐ Yes  
☐ No

If YES, enter delivery address below:

## 3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

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

## 2. Article Number

(Transfer from service label)

7005 1820 0002 8596 5954

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X

- ☐ Agent  
☐ Addressee

## B. Received by (Printed Name)

C. Date of Delivery

APR 21 2008

## D. Is delivery address different from item 1?

- ☐ Yes  
☐ No

If YES, enter delivery address below:

## 3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Dugan Production Corporation  
PO Box 420  
Farmington NM 87499

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature ☒ Agent  
☒ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

## 2. Article Number

(Transfer from service label)

7005 1820 0002 8596 5961

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Providence Minerals  
Attn: Karen Herbst  
14860 Montfort Drive, Suite 209  
Dallas, TX 75240

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature ☐ Agent  
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

## 2. Article Number

(Transfer from service label)

7005 1820 0002 8596 5794

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Tinnin Law Firm, A Professional Corporation  
500 Marquette, NW, Suite 1300  
Albuquerque, NM 87102

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature ☐ Agent  
☒ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

## 3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

## 2. Article Number

(Transfer from service label)

7005 1820 0002 8596 5909

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

RECEIVED

2008 JUN 12 PM 2 29

April 16, 2008

Certified Mail  
7005 1820 0002 8596 5947

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

Re: Administrative Approval of Unorthodox Location  
San Juan 30-4 #58  
1130' FNL and 855' FWL  
Section 9-T30N-R4W  
Rio Arriba County, New Mexico

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 for its San Juan 30-4 #58 well. A copy of the application has been attached for your review.

If you have no objection to this unorthodox location, please sign the three copies of the attached waiver and within twenty (20) days of the receipt of this letter, return one (1) executed copy to the NMOCD at 1220 South Francis Drive, Santa Fe, New Mexico 87505, one (1) copy to our office and retain one (1) copy for your files.

Your cooperation in this matter is appreciated.

Sincerely,

*Gillian Black*

Gillian Black  
Land Assistant

/gb

---

WAIVER

**MAR Oil & Gas Corp.** Hereby waives objection to the above referenced Application for Unorthodox Location for Energen Resources Corporation's San Juan 30-4 #58 well.

Date: 6/9/08 By: *[Signature]*  
Cc: OCD-Aztec Office, BLM-Farmington office, Offset operators

---

This inbound email has been scanned by the MessageLabs Email Security System.

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## Warnell, Terry G, EMNRD

---

**From:** David Poage [David.Poage@energen.com]  
**Sent:** Thursday, June 19, 2008 4:48 PM  
**To:** Warnell, Terry G, EMNRD  
**Subject:** RE: San Juan 30-4 #58 Well

Acres is 320 for OCD purposes. It was stated as E/2 9 and W/2 10 as all wells in the unit are required to be drilled on E/2 or W/2 spacing units. since this is a PC it is two 160 spacing units (OCD).

The wellbore will enter the PC SAND, not coal, 110' from the western boundary of the spacing unit. Requirement is 660' so thus the 550'.

All offset working interest owners are shown on the exhibit to the application. SW/4 of section 4 is the same people.

Hope that this helps. Let me know if you need anything else.

## Dave Poage

District Landman  
Energen Resources  
2010 Afton Place  
Farmington, NM 87401  
505-324-4133-office  
505-326-6112-fax  
dpoage@energen.com

---

**From:** Warnell, Terry G, EMNRD [mailto:TerryG.Warnell@state.nm.us]  
**Sent:** Thursday, June 19, 2008 4:14 PM  
**To:** David Poage  
**Subject:** RE: San Juan 30-4 #58 Well

Hi David,

Thanks, this helps

However, I need clarification on a couple items in your April 11, 2008 letter to OCD

Second paragraph:

how many acres?

"E/2 of Section 10 and W/2 of Section 10" is this correct?

Third paragraph:

"unit boundary by 550' as it will enter the coal at 1130' FNL and 855' FWL"

what is unit boundary by 550'?

which coal?

Fourth paragraph:

"all offsetting spacing unit owners"

Please clarify who this includes

What about the SW/4 of Section 4 since this the only offset not in the PA

Thanks again

Regards  
Terry

---

6/19/2008

**From:** David Poage [mailto:David.Poage@energen.com]  
**Sent:** Thursday, June 12, 2008 9:28 AM  
**To:** Warnell, Terry G, EMNRD  
**Subject:** RE: San Juan 30-4 #58 Well

Terry, Here is the additional information you requested. Sorry it took some time to get. Let me know if you need anything else.

## Dave Poage

District Landman  
Energen Resources  
2010 Afton Place  
Farmington, NM 87401  
505-324-4133-office  
505-326-6112-fax  
dpoage@energen.com

---

**From:** Warnell, Terry G, EMNRD [mailto:TerryG.Warnell@state.nm.us]  
**Sent:** Friday, June 06, 2008 10:35 AM  
**To:** David Poage  
**Subject:** San Juan 30-4 #58 Well

Terry G. Warnell  
New Mexico Oil Conservation Division  
1220 South St. Francis  
Santa Fe, NM 87505  
505-476-3466

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Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

6/19/2008

4/25/08 DATE IN	SUSPENSE	Brooks ENGINEER	4/28/08 LOGGED	NSL PROR0811943 title TYPE
--------------------	----------	--------------------	-------------------	-------------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY  
**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -

Energizer Resources

San Juan 30-4 #58

San Juan 30-4 Unit #58

**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  
☒ 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,

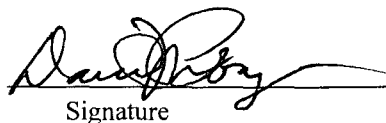
[F] ☐ Waivers are Attached

[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

  
 Signature

District Landman  
 Title

4/11/08  
 Date

RECEIVED  
 2008 APR 25 PM 4 22

Rule 5/11



RECEIVED  
2008 APR 25 PM 4 22

April 16, 2008

Certified Mail  
7005 1820 0002 8596 5954

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

Re: Administrative Approval of Unorthodox Location  
San Juan 30-4 #58  
1130' FNL and 855' FWL  
Section 9-T30N-R4W  
Rio Arriba County, New Mexico

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 for its San Juan 30-4 #58 well. A copy of the application has been attached for your review.

If you have no objection to this unorthodox location, please sign the three copies of the attached waiver and within twenty (20) days of the receipt of this letter, return one (1) executed copy to the NMOCD at 1220 South Francis Drive, Santa Fe, New Mexico 87505, one (1) copy to our office and retain one (1) copy for your files.

Your cooperation in this matter is appreciated.

Sincerely,

*Gillian Black*

Gillian Black  
Land Assistant

/gb

*Ruth Zimmerman Trust*  
\_\_\_\_\_  
WAIVER

\_\_\_\_\_. Hereby waives objection to the above referenced Application for Unorthodox Location for Energen Resources Corporation's San Juan 30-4 #58 well.

Date: *4/20/08* By: *Hazel Z. Hart, Trustee*  
Cc: OCD-Aztec Office, BLM-Farmington office, Offset operators



April 11, 2008

Certified Mail  
7005 1820 0002 8596 6227

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

RE: Administrative Approval of Unorthodox Location  
San Juan 30-4 #58 Well  
1130' FNL and 855' FWL – Surface Location  
Section 9, T30N, R4W  
Rio Arriba County, New Mexico

Gentlemen:

Energen Resources Corporation (Energen) hereby requests Administrative Approval for an Unorthodox Location of its San Juan 30-4 #58 Pictured Cliffs formation well under the provisions of New Mexico Oil Conservation Division, East Blanco Pictured Cliffs Pool rules.

This well is surface located in the NW/4 of Section 9-T30N-R4W, Rio Arriba County, New Mexico and is dedicated to a unit consisting of the E/2 of Section 10 and W/2 of Section 10 in the East Blanco Pictured Cliffs gas pool.

This well is located closer than 660' from the western unit boundary by 550' as it will enter the coal 1130' FNL and 855' FWL. This well is within the boundaries of the San Juan 30-4 Unit. This location is being drilled as a horizontal sidetrack well bore and is situated so that the longest lateral can be accessed. This additional length is required to provide for the potential for the production of the most reserves and the best possible economics for this well. An explanation of this reasoning is attached.

Energen is concurrently notifying all <sup>(12)</sup> offsetting spacing unit owners and requesting that approval be granted for this application. <sup>(8)</sup> (4 did not reply)

Please note that this acreage is within the Pictured Cliffs Participating Area of the San Juan 30-4 Unit. The owners of the well and the offsetting owners are common.

Attached is a well location plat showing dedicated acreage (C102), a plat showing the offsetting spacing units and a topographic map.

Your favorable consideration of this request would be appreciated.

Sincerely,

David M. Poage  
District Landman

*This is surface location*

DATE IN 4/28/08	SUSPENSE	ENGINEER Brooks	LOGGED 4/28/08	TYPE NSL <del>BK120811943461</del>
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ABOVE THIS LINE FOR DIVISION USE ONLY  
**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -

*Energizer Resources Corp.*  
*San Juan 30-4 Unit #58*

**San Juan 30-4 #58**

**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

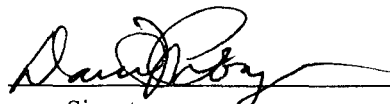
- [A] [ ] Working, Royalty or Overriding Royalty Interest Owners
- [B] [X] Offset Operators, Leaseholders or Surface Owner
- [C] [ ] Application is One Which Requires Published Legal Notice
- [D] [ ] Notification and/or Concurrent Approval by BLM or SLO  
 U.S. Bureau of Land Management - Commissioner 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.

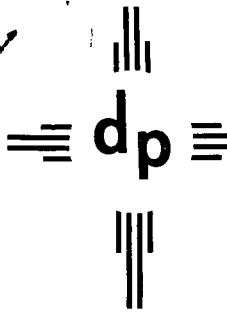
Note: Statement must be completed by an individual with supervisory capacity.

David M. Poage  
 Print or Type Name

  
 Signature

District Landman  
 Title

4/11/08  
 Date



dugan production corp.

April 23, 2008

NMOCD  
1220 South Francis Dr.  
Santa Fe, NM 87505

RE: Energen Resources Corp.  
Administrative Approval of an Unorthodox Location  
San Juan 30-4 #58  
1130' FNL and 855' FWL  
Section 9: T30N-R4W  
Rio Arriba County, New Mexico

RECEIVED  
2008 APR 25 PM 4 19

Dear Ladies and Gentlemen:

Enclosed please find one executed application for the referenced document above.

If you should have any questions, please contact Skip Fraker at (505)325-1821.

Sincerely,

Malia Villers  
Land Department

mv

Enclosure



April 16, 2008

Certified Mail  
7005 1820 0002 8596 5961

Dugan Production Corp.  
Attn: Skip Fraker  
P. O. Box 420  
Farmington, NM 87499

Re: Administrative Approval of Unorthodox Location  
San Juan 30-4 #58  
1130' FNL and 855' FWL  
Section 9-T30N-R4W  
Rio Arriba County, New Mexico

Dear Mr. Fraker:

Energen Resources Corporation (Energen) has filed with the New Mexico Oil Conservation Division (NMOCD), an application for the Administrative Approval of an Unorthodox location for its San Juan 30-4 #58 well. A copy of the application has been attached for your review.

If you have no objection to this unorthodox location, please sign the three copies of the attached waiver and within twenty (20) days of the receipt of this letter, return one (1) executed copy to the NMOCD at 1220 South Francis Drive, Santa Fe, New Mexico 87505, one (1) copy to our office and retain one (1) copy for your files.

Your cooperation in this matter is appreciated.

Sincerely,

*Gillian Black*

Gillian Black  
Land-Assistant

/gb

**Skip Fraker**  
**Land Manager**  
*[Signature]*  
**Dugan Production Corp.**

WAIVER

\_\_\_\_\_ Hereby waives objection to the above referenced Application for Unorthodox Location for Energen Resources Corporation's San Juan 30-4 #58 well.

Date: \_\_\_\_\_ By: \_\_\_\_\_  
Cc: OCD-Aztec Office, BLM-Farmington office, Offset operators

APR 22 2008





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2008 APR 28 PM 1 53

April 16, 2008

Certified Mail  
7005 1820 0002 8596 5879

Rio Aribagas  
c/o Eddy Dreyer Management Co., as Agent  
4925 Greenville Avenue Suite 900  
Dallas, TX 75203

Re: Administrative Approval of Unorthodox Location  
San Juan 30-4 #58  
1130' FNL and 855' FWL  
Section 9-T30N-R4W  
Rio Arriba County, New Mexico

Dear Ms. Dreyer:

Energen Resources Corporation (Energen) has filed with the New Mexico Oil Conservation Division (NMOCD), an application for the Administrative Approval of an Unorthodox location for its San Juan 30-4 #58 well. A copy of the application has been attached for your review.

If you have no objection to this unorthodox location, please sign the three copies of the attached waiver and within twenty (20) days of the receipt of this letter, return one (1) executed copy to the NMOCD at 1220 South Francis Drive, Santa Fe, New Mexico 87505, one (1) copy to our office and retain one (1) copy for your files.

Your cooperation in this matter is appreciated.

Sincerely,

*Gillian Black*  
Gillian Black  
Land Assistant

/gb

---

WAIVER

*Rio Aribagas, Ltd.* Hereby waives objection to the above referenced Application for Unorthodox Location for Energen Resources Corporation's San Juan 30-4 #58 well.

Date: *4/25/08* By: *Eddy Dreyer Agent*  
Cc: OCD-Aztec Office, BLM-Farmington office, Offset operators



RECEIVED

2008 APR 28 PM 1 57

April 16, 2008

Certified Mail  
7005 1820 0002 8596 5916

T.H. McElvain Oil & Gas  
Attn: Mr. Rick Harris  
1050 17th Street, Suite 1800  
Denver, CO 80265

Re: Administrative Approval of Unorthodox Location  
San Juan 30-4 #58  
1130' FNL and 855' FWL  
Section 9-T30N-R4W  
Rio Arriba County, New Mexico

Dear Mr. Harris:

Energen Resources Corporation (Energen) has filed with the New Mexico Oil Conservation Division (NMOCD), an application for the Administrative Approval of an Unorthodox location for its San Juan 30-4 #58 well. A copy of the application has been attached for your review.

If you have no objection to this unorthodox location, please sign the three copies of the attached waiver and within twenty (20) days of the receipt of this letter, return one (1) executed copy to the NMOCD at 1220 South Francis Drive, Santa Fe, New Mexico 87505, one (1) copy to our office and retain one (1) copy for your files.

Your cooperation in this matter is appreciated.

Sincerely,

*Gillian Black*

Gillian Black  
Land Assistant

/gb

---

WAIVER

T.H. McElvain Oil & Gas Limited Partnership  
By: McElvain Oil & Gas Properties Inc., General Partner

\_\_\_\_\_ Hereby waives objection to the above referenced Application for Unorthodox Location for Energen Resources Corporation's San Juan 30-4 #58 well.

Date: 4/24/08 By: *David W. Siple*  
Cc: OCD-Aztec Office, BLM-Farmington office, Offset operators

David W. Siple  
Vice President, Land

RECEIVED

2008 MAY 8 PM 1 53

April 16, 2008

Certified Mail  
7005 1820 0002 8596 5893

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

Re: Administrative Approval of Unorthodox Location  
San Juan 30-4 #58  
1130' FNL and 855' FWL  
Section 9-T30N-R4W  
Rio Arriba County, New Mexico

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 for its San Juan 30-4 #58 well. A copy of the application has been attached for your review.

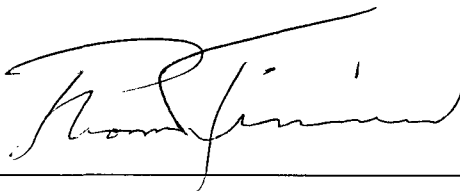
If you have no objection to this unorthodox location, please sign the three copies of the attached waiver and within twenty (20) days of the receipt of this letter, return one (1) executed copy to the NMOCD at 1220 South Francis Drive, Santa Fe, New Mexico 87505, one (1) copy to our office and retain one (1) copy for your files.

Your cooperation in this matter is appreciated.

Sincerely,

*Gillian Black*  
Gillian Black  
Land Assistant

/gb



\_\_\_\_\_  
WAIVER

\_\_\_\_\_  
Hereby waives objection to the above referenced Application for Unorthodox Location for Energen Resources Corporation's San Juan 30-4 #58 well.

Date: \_\_\_\_\_ By: \_\_\_\_\_  
Cc: OCD-Aztec Office, BLM-Farmington office, Offset operators

**San Juan 30-4 Unit #58**  
**Administrative Approval of Unorthodox Location**  
**Affected Owners**

**JABCO, LLP**

Attn: Debra Coughlin  
c/o Nations Bank of Texas, N.A.  
P. O. Box 2546  
Fort Worth, TX 76113-2546

**Navatex Energy, LP**

Zia Data Search Corporation  
Oil & Gas Accounting Services  
P. O. Drawer 2188  
Roswell, NM 88202

**Providence Minerals**

Attn: Karen Herbst  
14860 Montfort Drive, Suite 209  
Dallas, TX 75240

**Rio Aribagas**

c/o Eddy Dreyer Management Co., as  
Agent  
4925 Greenville Avenue Suite 900  
Dallas, TX 75206

**J&M Raymond, Ltd.**

**TAMACAM, LLC.**

**Charles W. Gay**

**Lorrayn Gay Hacker**

P O BOX 291445  
Kerrville, TX 78029-1445

**Thomas P. Tinnin**

Attn: Mr. Tinnin  
2303 Candelaria Road, NW  
Albuquerque, NM 87107

**MAR Oil & Gas**

Attn: Mr. Leon Romero  
PO Box 5155  
Santa Fe, NM 87502

**Tinnin Law Firm, A Professional Corporation**

500 Marquette, NW, Suite 1300  
Albuquerque, NM 87102

**ConocoPhillips Company**

Attn: Ms. Cherylene Charley  
PO Box 4289  
Farmington, NM 87499

**T. H. McElvain Oil & Gas**

Attn: Rick Harris  
1050 17<sup>th</sup> Street, Suite 1800  
Denver, CO 80265

**Ruth Zimmerman**

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

**Dugan Production Corporation**

PO Box 420  
Farmington NM 87499

## Warnell, Terry G, EMNRD

---

**From:** Warnell, Terry G, EMNRD  
**Sent:** Thursday, June 19, 2008 4:14 PM  
**To:** 'David Poage'  
**Subject:** RE: San Juan 30-4 #58 Well

Hi David,

Thanks, this helps

However, I need clarification on a couple items in your April 11, 2008 letter to OCD

Second paragraph:

how many acres?

"E/2 of Section 10 and W/2 of Section 10" is this correct?

Third paragraph:

"unit boundary by 550' as it will enter the coal at 1130' FNL and 855' FWL"

what is unit boundary by 550'?

which coal?

Fourth paragraph:

"all offsetting spacing unit owners"

Please clarify who this includes

What about the SW/4 of Section 4 since this the only offset not in the PA

Thanks again

Regards  
Terry

---

**From:** David Poage [mailto:David.Poage@energen.com]  
**Sent:** Thursday, June 12, 2008 9:28 AM  
**To:** Warnell, Terry G, EMNRD  
**Subject:** RE: San Juan 30-4 #58 Well

Terry, Here is the additional information you requested. Sorry it took some time to get. Let me know if you need anything else.

## Dave Poage

District Landman  
Energen Resources  
2010 Afton Place  
Farmington, NM 87401  
505-324-4133-office  
505-326-6112-fax  
dpoage@energen.com

---

**From:** Warnell, Terry G, EMNRD [mailto:TerryG.Warnell@state.nm.us]  
**Sent:** Friday, June 06, 2008 10:35 AM  
**To:** David Poage  
**Subject:** San Juan 30-4 #58 Well

Terry G. Warnell

6/19/2008

New Mexico Oil Conservation Division  
1220 South St. Francis  
Santa Fe, NM 87505  
505-476-3466

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6/19/2008