



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



May 18, 2010

Energen Resources Corporation
Attn: Mr. David M. Poage
2010 Afton Place
Farmington, NM 87401

Administrative Order NSL-6202

Re: Jicarilla 96 Well No. 1C
API No. 30-039-26585
2200 feet FSL and 1870 feet FEL
Unit J, Section 11-26N-3W
Rio Arriba County, New Mexico

Dear Mr Poage:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-11242356**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on April 22, 2010, and

(b) the Division's records pertinent to this request.

Energen Resources Corporation [OGRID 162928] (Energen) has requested to complete the above-referenced well in the Pictured Cliffs formation at an unorthodox gas well location, as described above in the caption of this letter. The SE/4 of Section 11 will be dedicated to this well in order to form a standard 160-acre gas spacing unit in the Gavilan-Pictured Cliffs Gas Pool (77360). This pool is governed by statewide Rule 15.10.C, which provides for 160-acre units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from the northern unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location in order to utilize an existing wellbore.



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It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark E. Fesmire, P.E.
Acting Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec
United States Bureau of Land Management – Santa Fe