



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

May 12, 1999

**Energen Resources Corporation
2198 Bloomfield Highway
Farmington, New Mexico 87401
Attention: Richard P. Corcoran**

Administrative Order NSP-1804

Dear Mr. Corcoran:

Reference is made to the following: (i) your application dated April 19, 1999; (ii) the New Mexico Oil Conservation Division's ("Division") initial response by letter dated April 26, 1999 from Mr. Michael E. Stogner, Engineer in Santa Fe; (iii) your response by letter dated May 3, 1999 with the supplemental data to complete this application; and (iv) the records of the Division: all concerning Energen Resources Corporation's ("Energen") request for to establish a non-standard 205.88-acre gas spacing and proration unit consisting of the following acreage in the Basin-Dakota Pool:

**RIO ARRIBA COUNTY, NEW MEXICO
TOWNSHIP 30 NORTH, RANGE 4 WEST, NMPM**

Irregular Section 31: Lots 1 through 5, the E/2 NW/4, and the NE/4 SW/4.

Gas production from this pool is to be dedicated to Energen's proposed San Juan "30-4" Unit Well No. 33-A to be drilled at a standard gas well location 830 feet from the North line and 820 feet from the West line (Unit C) of Section 31.


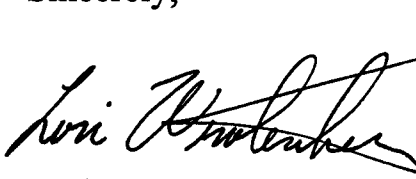
The application has been duly filed under the provisions of Division Rules 104.F, 104.D(2), and 605.B.

By the authority granted me under the provisions of Division Rules 104.F(2) and 104.D(2)(b), the above-described 205.88-acre non-standard gas spacing and

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proration unit in the Basin-Dakota Pool is hereby approved.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington

Remarks: It is our understanding that this well is to be dually completed into both the Basin-Dakota and Blanco-Mesaverde Pools. Gas production from the Blanco-Mesaverde Pool is to be included in an existing non-standard 205.88-acre stand-up gas spacing and proration unit comprising this same acreage (approved by Division Administrative Order NWU-362, dated October 20, 1960), which is currently dedicated to Burlington's San Juan "30-4" Unit Well No. 33 (API No. 30-039-82387), located at a standard gas well location 1590 feet from the South line and 1110 feet from the West line (Unit K) of Section 31.