

MILLER STRATVERT

PROFESSIONAL ASSOCIATION

Ranne B. Miller
Alice T. Lorenz
Stephen M. Williams
Stephan M. Vidmar
Seth V. Bingham
Timothy R. Briggs
Rudolph Lucero
Deborah A. Solove
Gary L. Gordon
Lawrence R. White
Virginia Anderman
Marte D. Lightstone
J. Scott Hall*
Thomas R. Mack
Thomas M. Domme

Ruth O. Pregenzer
Jeffrey E. Jones
James J. Widland
Bradley D. Tepper**
Robin A. Goble
James R. Wood
Dana M. Kyle
Kirk R. Allen
Ruth Fuess
H. Brook Laskey
Paula G. Maynes
M. Dylan O'Reilly
Jennifer D. Hall
Todd A. Schwarz
Neil Graham Sale

Scott P. Hatcher
Ann M. Conway
Randall J. McDonald
Robert H. Clark
Richard L. Alvidrez
Kelsey D. Green
Marcy Baysinger
Caroline Blankenship
Matthew S. Rappaport
Karen E. Wootton
Somer K. Chyz
Joseph L. Romero
Kelly A. Stone
Deron B. Knoner
Patricia A. Bradley

T. Aaron Garrett
Amy P. Hauser
Rebecca M. Alves

Counsel

James B. Collins
Robert D. Taichert

Of Counsel

William K. Stratvert
Sharon P. Gross

Reply to Santa Fe

150 Washington Ave., Suite 300
Santa Fe, NM 87501

Mailing Address:

P.O. Box 1986
Santa Fe, NM 87504-1986

Telephone: (505) 989-9614

Facsimile: (505) 989-9857

Writer's Direct E-Mail:
shall@mstlaw.com

2006 MAY 12 PM 2 07

May 12, 2006

HAND-DELIVERED

Ms. Florene Davidson
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico

Re: NMOCD Case No. 13733; Application of Energen Resources Corporation for
Compulsory Pooling, Rio Arriba County, New Mexico

Dear Florene:

Enclosed for filing in reference to the captioned matter is an original and one copy of an
Application for compulsory pooling submitted on behalf of Energen Resources. Also enclosed in
hard copy and on disk is a proposed advertisement.

Very truly yours,

MILLER STRATVERT P.A.



J. Scott Hall

JSH/glb
Enclosures

G:\Data\Clients\6621\37165\Correspondence\Davidson^051206.doc

LAW OFFICES

ALBUQUERQUE
(505) 842-1950

FARMINGTON
(505) 326-4521

LAS CRUCES
(505) 523-2481

SANTA FE
(505) 989-9614

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF ENERGEN RESOURCES CORPORATION
FOR COMPULSORY POOLING
RIO ARriba COUNTY, NEW MEXICO

CASE NO. 13233

APPLICATION

ENERGEN RESOURCES CORPORATION, by its undersigned attorneys, Miller, Stratvert P.A., (J. Scott Hall) hereby makes application pursuant to NMSA 1978 Section 70-2-17 (1995) for an order pooling all interests in the Mesaverde formation, Blanco-Mesaverde Pool, underlying the W/2 of Section 2, Township 25 North, Range 3 West, Rio Arriba County, New Mexico, to form a standard 356.75 acre gas spacing and proration unit. Applicant would show the Division:

1. Applicant owns certain working interests in and under the W/2 of Section 2, and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to its McCroden C #1 Well previously drilled to the Gallup/Dakota formation at surface and bottom-hole locations 2146' from the south line and 1650' from the west line and re-complete the well in order to test the Mesaverde formation underlying the W/2 of Section 2, Township 25 North, Range 34 West, Rio Arriba County, New Mexico.
3. Applicant has been unable to obtain leases or voluntary agreement for pooling or farmout from certain other interest owners in the above-referenced formations underlying the W/2 of said Section 2.

2006 MAY 13 PM 2:07

4. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled and Applicant should be designated operator of the well.

5. The pooling of interests will afford the Applicant the opportunity to produce its just and equitable share of hydrocarbons underlying the spacing unit, will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

WHEREFORE Applicant requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division on June 22, 2006 and that after notice and hearing as required by law, the Division enter its Order pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges and providing for adjustments to such rates in accordance with accepted COPAS accounting procedures, and imposing a 200% risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well, and making such other and further provisions as maybe proper in the premises.

MILLER STRATVERT P.A.

By:



J. Scott Hall
Attorneys for Energen Resources Corporation
Post Office Box 1986
Santa Fe, New Mexico 87504-1986
(505) 989-9614

Proposed Advertisement

Case No. 18733; **Application of Energen Resources Corporation for compulsory pooling, Rio Arriba County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Mesaverde formation, Blanco Mesaverde Pool, underlying the W/2 of Section 2, Township 25 North, Range 3 West, Rio Arriba County, New Mexico, to form a standard 356.75-acre gas spacing and proration unit. Said unit is to be dedicated to Applicant's McCroden C # 1 Well drilled from a surface and bottom-hole location 2146' from the south line and 1650' from the west line and recompleted in the Mesaverde formation underlying the W/2 of said Section 2. Also to be considered will be the cost of drilling and recompleting said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Energen Resources Corporation as operator of the well and a charge for risk involved in drilling and recompleting said well. The well location is approximately 4 miles east of Ojito, New Mexico.

2006 MAY 12 PM 2 07