



Energen 08

CC

# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor

May 12, 2004

**Joanna Prukop**  
Cabinet Secretary  
Acting Director  
Oil Conservation Division

**Energen Resources Corporation**  
2198 Bloomfield Highway.  
Farmington, New Mexico 87401

**Attention: Richard Corcoran**  
**District Landman**

**Re:** *Administrative application for an exception to the well location provisions of the Basin-Fruitland Coal (Gas) Pool (71629) for Energen Resources Corporation's proposed Carson Well No. 203 to be drilled at an unorthodox coal gas well location within the W/2 equivalent of Irregular Section 6, Township 30 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, a 232.90-acre stand-up gas spacing unit for the Basin-Fruitland Coal (Gas) Pool, 705 feet from the South line and 1755 feet from the West line (Unit N) of Irregular Section 6 (administrative application reference No. pMES0-413331219).* 72.787.

Dear Mr. Corcoran:

My review of your application filed with the Division in Santa Fe on April 15, 2004 indicates that the information provided in your application is not sufficient to process an administrative order at this time. It appears that your application maybe incomplete with respect to notice. Please refer to: (i) Rule 7 (b) of the "Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool," as promulgated by Division Order No. R-8768, as amended (see copy attached); and (ii) Division Rule 1207.A (2). Division Rule 1207.A (2) (a) states:

**"(2) Unorthodox Well Locations:**

(a) *Definition: "affected persons" are the following persons owning interests in the adjoining spacing units:*

(i) *the division-designated operator;*

(ii) *in the absence of an operator, any lessee whose interest is evidenced by a written document of conveyance either of record or known to the applicant as of the date the application is filed; and*

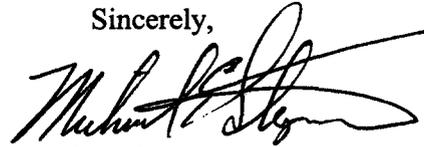
(iii) *in the absence of an operator or lessee, any mineral interest owner whose interest is evidenced by a written document of conveyance either of record or known to the applicant as of the date the application was filed.*

*In the event the operator of the proposed unorthodox well is also the operator of an existing adjoining spacing unit and ownership is not common between the adjoining spacing unit and the spacing unit containing the proposed unorthodox well, then "affected persons" include all working interest owners in that spacing unit'.*

The only adjoining offsetting Basin Fruitland coal spacing unit affected by the proposed unorthodox coal gas well location is the E/2 equivalent of Irregular Section 6. From the information provided no conclusion can be made that all of Irregular Section 6 is within a single Federal lease with common mineral interests (royalty, working, and overriding royalty), or that Energen Resources Corporation control 100 percent of the working interest in both these units.

Your application for administrative approval for the above-described unorthodox coal gas well location is deemed incomplete; is hereby **denied** and is being returned to you at this time.

Sincerely,



Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Aztec  
U. S. Bureau of Land Management – Farmington  
J. Scott Hall, Legal Counsel for Energen Resources Corporation – Santa Fe

DATE IN 4-15-2004	SUSPENSE 5-5-04	ENGINEER MS	LOGGED ms	TYPE NSL
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PMESD - 413331214

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -

Carson #203

ADMINISTRATIVE APPLICATION COVERSHEET

RECEIVED

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

APR 15 2004

Application Acronyms:

OIL CONSERVATION DIVISION

- [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

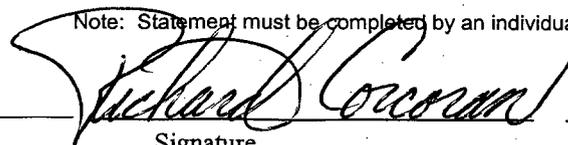
[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or  Does Not Apply

- [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.



Richard Corcoran  
Print or Type Name

Signature

District Landman  
Title

4/12/04  
Date



April 12, 2004

New Mexico Oil Conservation Division  
Attn: Michael E. Stogner  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

RE: Administrative Approval of Unorthodox Location  
Carson #203  
705' FSL & 1755' FWL  
Section 6, T30N, R4W  
Rio Arriba County, New Mexico

Dear Mr. Stogner:

Energen Resources Corporation (Energen) hereby requests Administrative Approval for an Unorthodox Location of its proposed Carson #203 Fruitland Coal well under the provisions of New Mexico Oil Conservation Division (NMOCD) Order R-8768.

The well is located 705' FSL & 1755' FWL of Section 6-T30N-R4W, Rio Arriba County, New Mexico and dedicated to a 232.9 acre gas spacing unit consisting of the W/2 of said section 6, in the Basin Fruitland Coal gas pool.

This well is closer than 660 feet to the eastern boundary of the proration unit, causing a non-standard location. The section in which this well is located is a short section, thus the W/2 is only 1811.7' wide. This leaves a very narrow area in which to find an orthodox location. Coupled with the very rough topography in this area, the only viable location is the one which is being proposed.

A copy of this application is being sent to all offset operators by certified mail-return receipt request with a request that they furnish your office in Santa Fe a Waiver of Objection within 20 days of receipt of this application.

Attached is a well location plat showing dedicated acreage (C-102), a map showing all offsetting operators and a topographic map.

Your favorable consideration of this request would be appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Richard P. Corcoran".

Richard P. Corcoran  
District Landman

District I  
 PO Box 1980, Hobbs, NM 88241-1980

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

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

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

State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-102  
 Revised February 21, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code	*Property Name CARSON		*Well Number 203
*OGRID No. 162928	*Operator Name ENERGEN RESOURCES CORPORATION		*Elevation 7063'

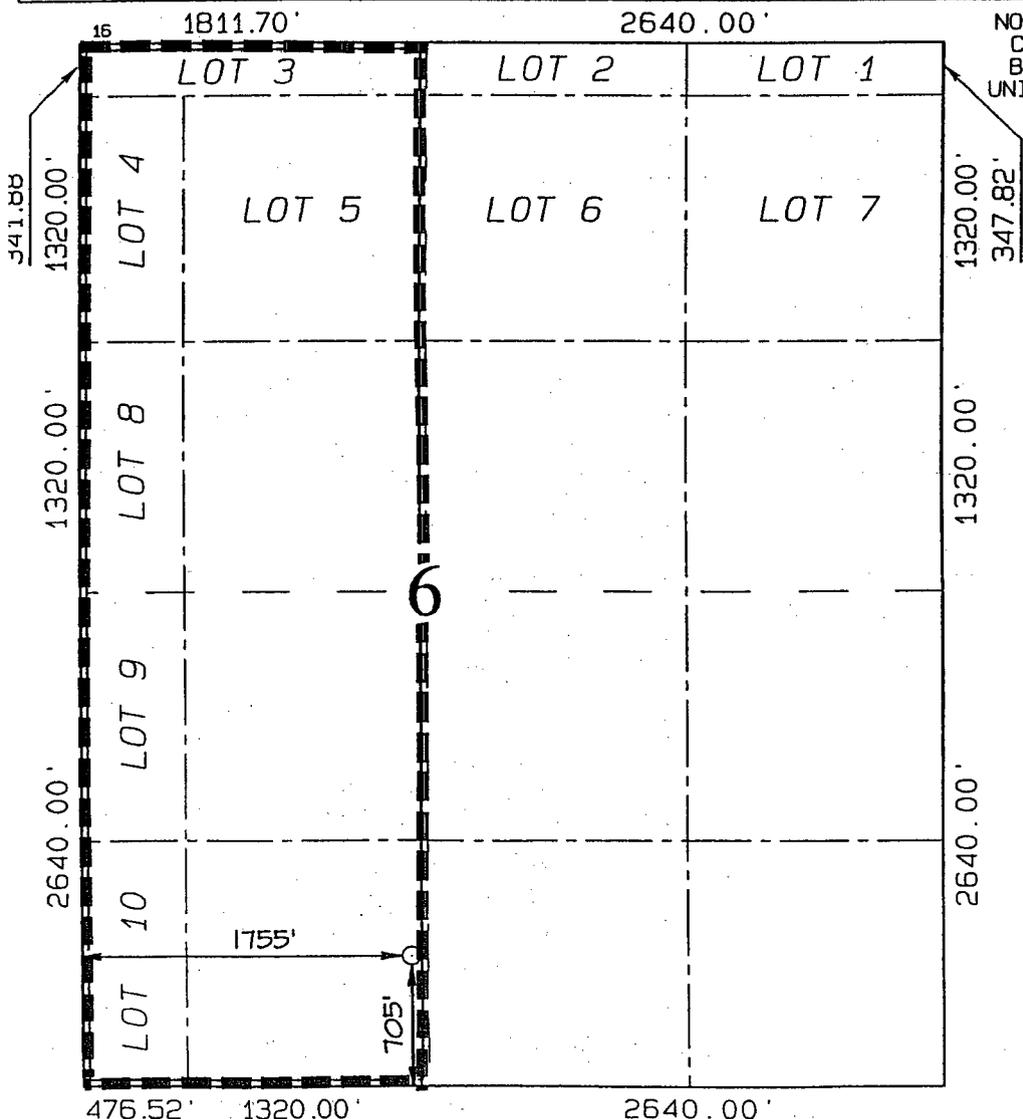
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	6	30N	4W		705	SOUTH	1755	WEST	RIO ARRIBA

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 232.90 Acres - (W/2)	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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

<sup>17</sup> OPERATOR CERTIFICATION

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

*Don Graham*  
 Signature  
 Don Graham  
 Printed Name  
 Production Superintendant  
 Title  
 1-30-03  
 Date

<sup>18</sup> 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.

Survey Date: JANUARY 27, 2003

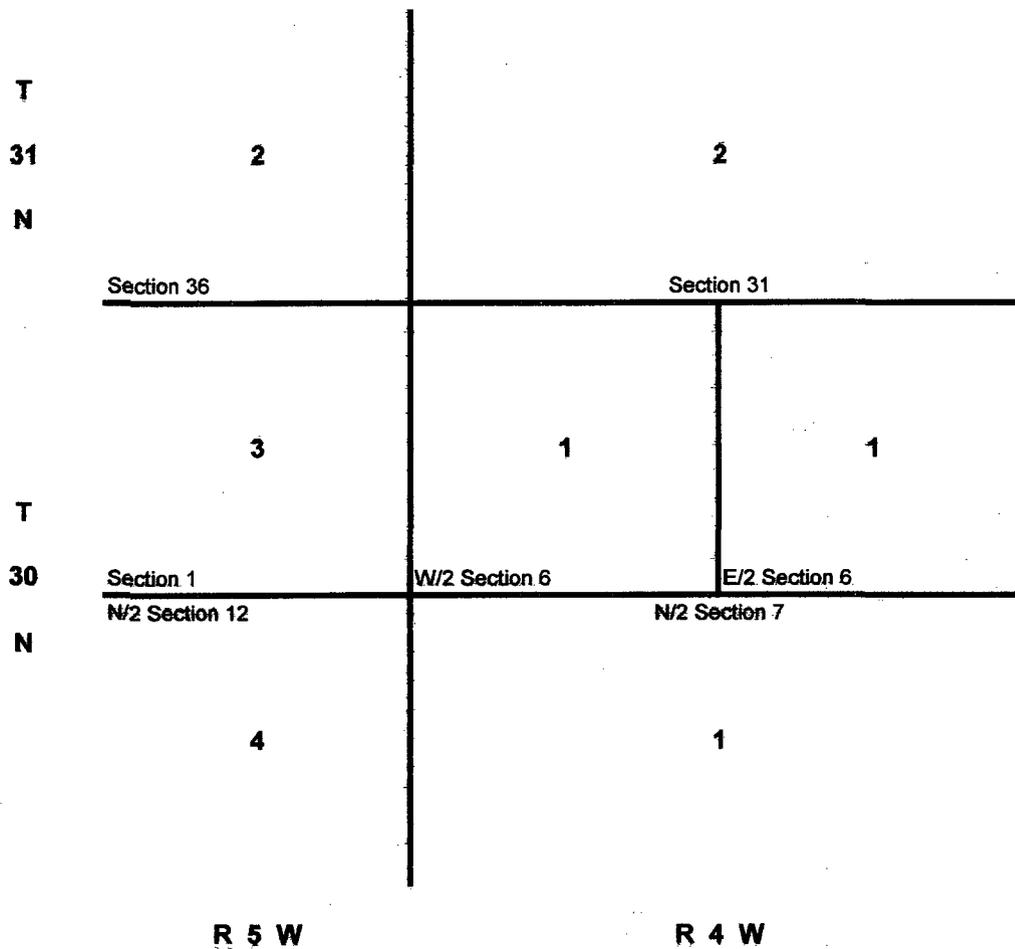
Signature and Seal of Professional Surveyor



*JASON C. EDWARDS*  
 Certificate Number 15269

Carson #203  
Basin Fruitland Coal  
705' FSL, 1755' FWL, Section 6, T-30-N, R-4-W  
Rio Arriba County, New Mexico

Offset Operator Plat



- 1 Energen Resources
- 2 Williams Production
- 3 Burlington Resources
- 4 Schalk Development



# BURLINGTON RESOURCES

SAN JUAN DIVISION

April 22, 2004

New Mexico Oil Conservation Division  
Attn: Michael E. Stogner  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

RE: Administrative Approval of Unorthodox Location  
Carson #203  
705' FSL & 1755' FWL  
Section 6, T30N, R4W  
Rio Arriba County, New Mexico

RECEIVED

APR 23 2004

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

Dear Mr. Stogner:

Energen Resources Corporation requested Administrative Approval for its proposed Carson #203 Fruitland Coal Well Unorthodox Location in the W/2 of Section 6-T30N-R4W, Rio Arriba County, New Mexico.

Burlington Resources has reviewed this location and finds no objection to Energen's request. The waiver letter has been signed and returned. An executed copy of the waiver is enclosed for your review.

If you have any questions or concerns, please don't hesitate to call me at (505) 326-9835.

Sincerely,



James P. Parker  
Staff Landman

April 12, 2004

Burlington Resources  
3535 E. 30<sup>th</sup> Street  
Farmington, NM 87402  
Attn: Linda Dean

RECEIVED  
APR 14 2004

RE: Administrative Approval of Unorthodox Location  
Carson #203  
705' FSL & 1755' FWL  
Section 6, T30N, R4W  
Rio Arriba County, New Mexico

Dear Interest Owner:

Energen Resources Corporation has filed with the New Mexico Oil Conservation Division (NMOCD), an application for the Administrative Approval of an Unorthodox Location for its Carson #203 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, return one executed copy to the NMOCD at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, one copy to our office and retain one copy for you files, within 20 days of the receipt of this letter.

Your cooperation in this matter is appreciated.

Sincerely,



Richard P. Corcoran  
District Landman

RC/ga

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WAIVER

Burlington Resources hereby waives objection to the above referenced Application for Unorthodox Location for Energen Resources Corporation's Carson #203 well.

Date: 4-21-04 By: J. Hillabrand  
cc: OCD-Aztec office, BLM-Farmington office, Offset operators

DATE IN	SUSPENSE	ENGINEER	LOGGED	TYPE
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**

- Engineering Bureau -

Carson #203

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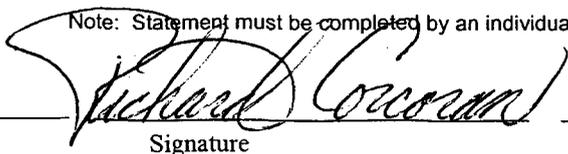
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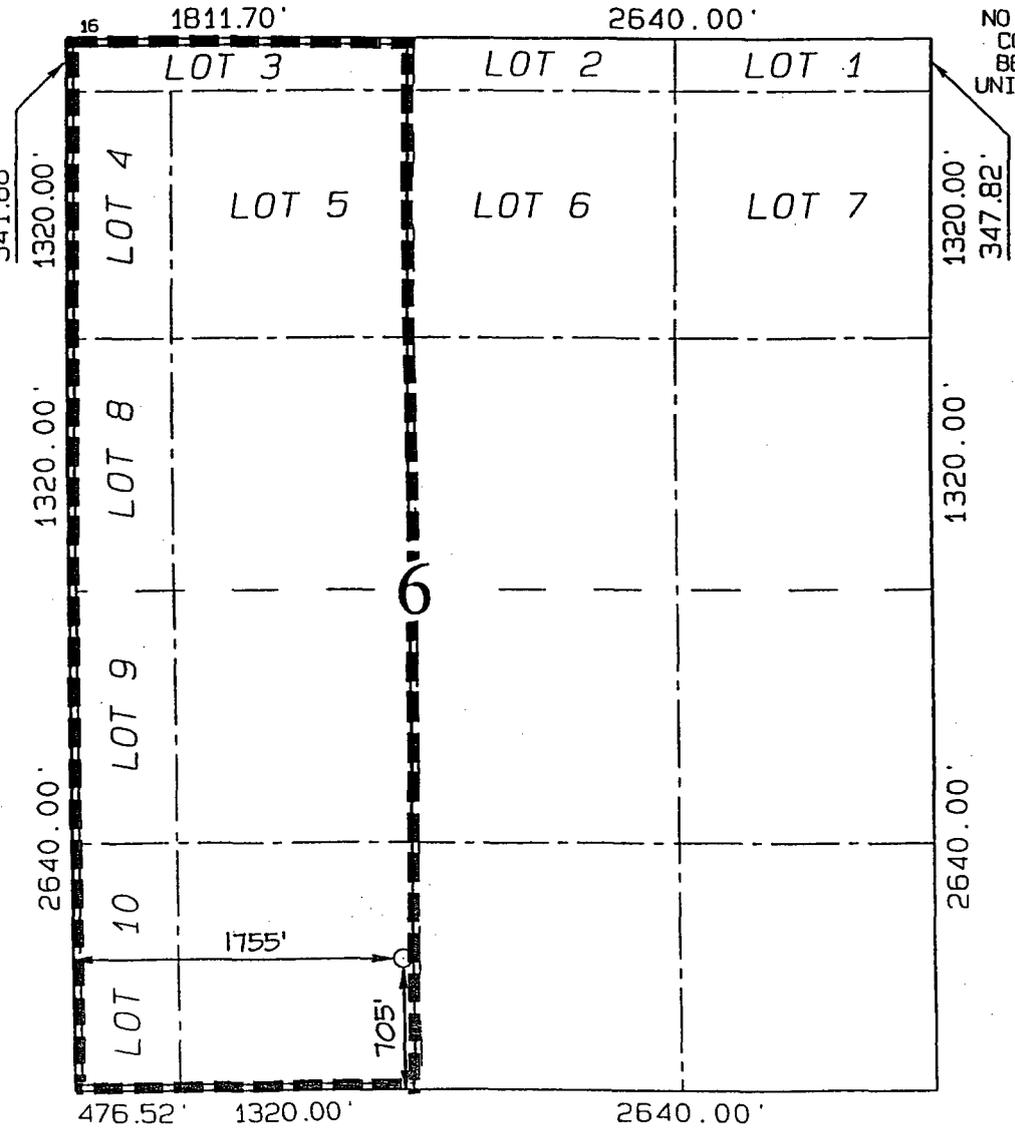
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 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

*Don Graham*  
 Signature  
 Don Graham  
 Printed Name  
 Production Superintendent  
 Title  
 Date: 1-30-03

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Survey Date: JANUARY 27, 2003

Signature and Seal of Professional Surveyor

**JASON C. EDWARDS**  
 NEW MEXICO  
 REGISTERED PROFESSIONAL SURVEYOR  
 15269

*JASON C. EDWARDS*  
 Certificate Number 15269



705' FSL & 1755' FWL, SECTION 6, T30N, R4W, N.M.P.M.  
RIO ARRIBA COUNTY, NEW MEXICO

