

PMESD-413331522

DATE IN 5/24/04	SUSPENSE 6/14/04	ENGINEER MS	LOGGED ms	TYPE NSL
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

Carracas 36A #1R

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

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
- [] WFX [] PMX [] SWD [] IPI [] EOR [] PPR

RECEIVED

MAY 24 2004

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

[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.

Paul Rote
Print or Type Name


Signature

General Manager-Land
Title

5/20/04
Date



May 20, 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
Carracas 36A #1R
365' FNL & 740' FEL
Section 36, T32N, R5W
Rio Arriba County, New Mexico

Dear Mr. Stogner:

Energen Resources Corporation (Energen) hereby requests Administrative Approval for an Unorthodox Location of its proposed Carracas 36A #1R Fruitland Coal well under the provisions of New Mexico Oil Conservation Division (NMOCD) Order R-8768.

The well is located 365' FNL & 740' FEL of Section 36-T32N-R5W, Rio Arriba County, New Mexico and is located on NM-29340. It is dedicated to a 320 acre gas spacing unit consisting of the E/2 of said section 36, in the Basin Fruitland Coal gas pool. Energen owns 100% of the working interest in this spacing unit.

This well is closer than 660 feet to the northern boundary of the proration unit, causing a non-standard location. This well is being proposed on the same well pad as the Carracas 36A #1, due to rough topography and the Forest Service request to minimize additional roads in the Carson National Forest. The Carracas 36A #1R is being drilled due to the mechanical integrity of the Carracas 36A #1 wellbore.

Energen is the Operator of record on all offsetting spacing units. Ownership is not common between the spacing unit in which the Carracas 36A #1R is being proposed and the W/2 of Section 31, T32N, R4W, which is dedicated to the Carracas Unit 31B #5. A copy of this application is therefore being sent to our working interest owner (Dominion Exploration and Production, Inc.) in that spacing unit 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. Williams Production Company, as offsetting interest owner in Section 6, T32N-R4W is also being asked to execute a Waiver of Objection. All other spacing units affected by the proposed well are owned 100% by Energen as shown on the attached diagram.

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. Please advise should you require additional information in this regard.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Rote".

Paul Rote
General Manager - Land

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

Energy, Minerals & Natural Resources Department

Revised February 21, 1994

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

AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code	*Property Name CARRACAS CANYON UNIT		*Well Number 36A-1R
*GRID No. 162928	*Operator Name ENERGEN RESOURCES CORPORATION		*Elevation 6975'

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
A	36	32N	5W		365	NORTH	740	EAST	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
					¹² Dedicated Acres 320.0 Acres - (E/2)	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

¹⁷ 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 Superintendent
Title
6-12-03
Date

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.

Survey Date: APRIL 17, 2003

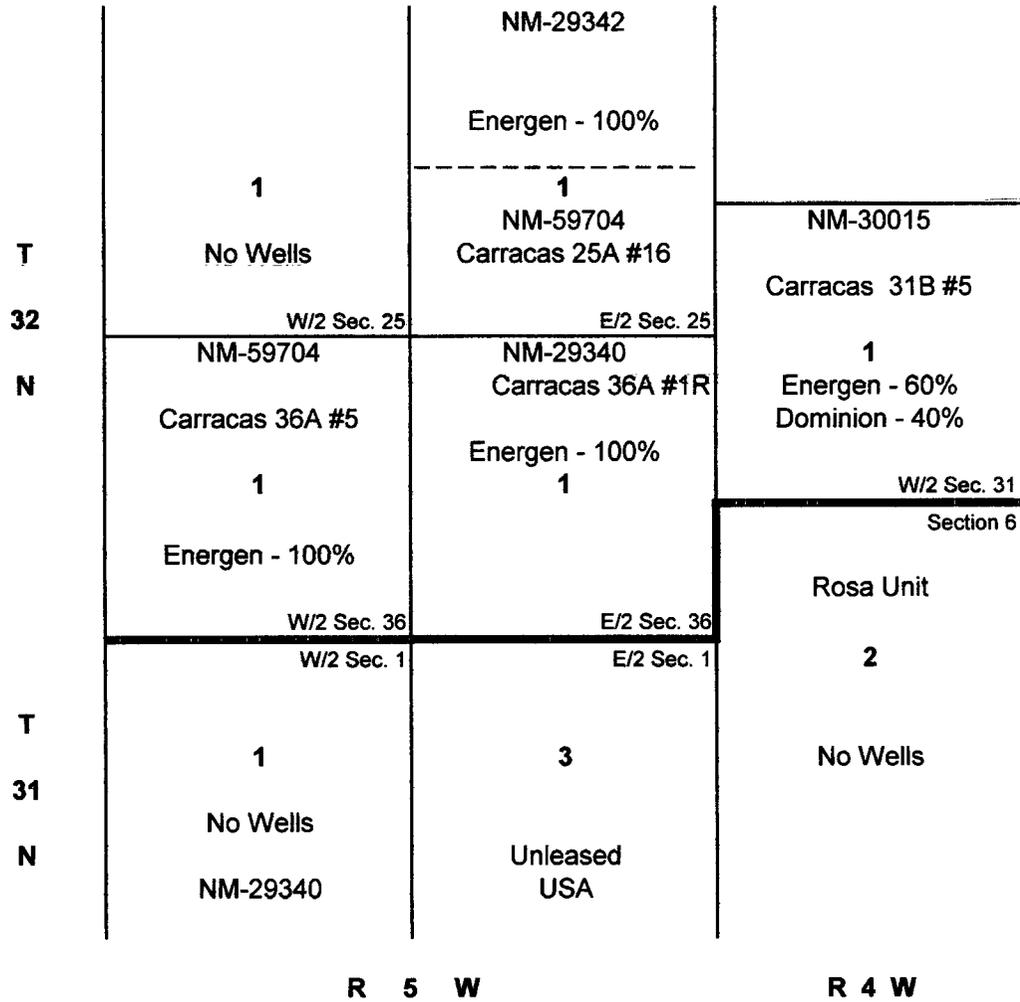
Signature and Seal of Professional Surveyor

JASON C. EDWARDS
Certificate Number 15269

Standard 640-ac Section

Carracas 36A #1R
 Basin Fruitland Coal
 365' FNL, 740' FEL, Section 36, T-32-N, R-5-W
 Rio Arriba County, New Mexico

Offset Operator Plat



1 Energen Resources
 2 Williams Production Company
 3 Open - USA

Dominion Exploration & Production, Inc.
14000 Quail Springs Parkway, #600, Oklahoma City, OK 73134-2600



DominionSM

Toll Free 800/324-1300
Phone 405/749-1300
Land Fax 405/749-6662

RECEIVED

May 26, 2004

MAY 28 2004

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

~~Energen Resources Corporation
Attention: Mr. Paul Rote
2198 Bloomfield Highway
Farmington, New Mexico 87401~~

RE: Administrative Approval of Unorthodox Location
Carracas 36A #1R
Section 36, T32N, R5W
Rio Arriba County, New Mexico

Gentlemen:

Enclosed herewith is one copy of your request for the above unorthodox location which has been approved on behalf of Dominion Exploration & Production, Inc.

By copy of this letter I am forwarding a second approved copy to the NMOCD.

Very truly yours,

DOMINION EXPLORATION & PRODUCTION, INC.

Diana Wickham
Senior Land Analyst

Enclosure

cc: NMOCD ✓
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505



May 20, 2004

Dominion Exploration & Production, Inc.
14000 Quail Springs Pkwy FI 600
Oklahoma City, OK 73134-2616
Attn: Joe Hammond

RE: Administrative Approval of Unorthodox Location
Carracas 36A #1R
365' FNL & 740' FEL
Section 36, T32N, R5W
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 Carracas 36A #1R 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.

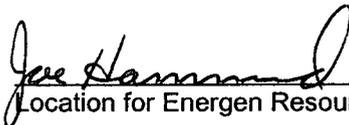
Your cooperation in this matter is appreciated.

Sincerely,

Paul Rote
General Manager - Land

PR/ga

WAIVER

 hereby waives objection to the above referenced Application for Unorthodox Location for Energen Resources Corporation's Carracas 36A #1R well.

Dominion Exploration & Production, Inc.
Date: 5/25/2004 By: Joe Hammond, Senior Staff Landman
cc: OCD-Aztec office, BLM-Farmington office, Offset operators



COALRW06 22

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

June 14, 2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

**Energen Resources Corporation
2198 Bloomfield Highway
Farmington, New Mexico 87501**

**Attention: Paul Rote
General Manager - Land**

Administrative Order NSL-5073

Dear Mr. Rote:

Reference is made to the following: (i) Energen Resources Corporation's ("Energen") initial application (*administrative application reference No. pMES0-413331522*) filed by Mr. Richard Corcoran, District Landman, on April 13, 2004; (ii) my letter of May 12, 2004 withdrawing this application; (iii) your re-submittal of this application on May 24, 2004; and (iv) the records of the New Mexico Oil Conservation Division ("Division") in Aztec and Santa Fe, including the file on Division Administrative Order NSL-2588, as amended: all concerning Energen's request for an exception to the well location requirements [Rule 7 (a) (1)] provided within the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, for a non-standard replacement coal gas well location within a standard 320-acre stand-up gas spacing unit comprising the E/2 of Section 36, Township 32 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

This application has been duly filed under the provisions of: (i) Rule 7 (b) of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*"; (ii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission ("Commission") in Case No. 12119 on August 12, 1999; and (iii) Rule 1207.A (2), revised by Division Order No. R-11205, issued by the Commission in Case No. 12177 on June 17, 1999.

It is the Division's understanding this well will replace Energen's Carracas "36-A" Well No. 1 (API No. 30-039-26483) that was directionally drilled in 2000 by Vastar Resources, Inc. from a surface location 365 feet from the North line and 787 feet from the East line (Unit A) of Section 36 to a standard bottom-hole location at a depth of 4,024 feet (MD), 1256 feet from the North line and 1284 feet from the East line (Unit A) of Section 36. There is no production reported for the well. It is further understood, due to its "mechanical integrity," the Carracas "36-A" Well No. 1 is to be plugged and abandoned (see USBLM Form 3160-3, Sundry Notice, on this well dated November 24, 2003).

By the authority granted me under the provisions of these special pool rules and Division Rule 104.F (2), the following described well to be drilled as a replacement coal gas well on this 320-acre gas spacing unit at a non-standard coal gas well location is hereby approved:

**Carracas "36-A" Well No. 1-R
365' FNL & 740' FEL (Unit A).**

IT IS FURTHER ORDERED THAT at the time the proposed Carracas "36-A" Well No. 1-R is successfully drilled to and completed within the Basin-Fruitland Coal (Gas) Pool; Energen shall plug and abandon the above-described Carracas "36-A" Well No. 1.

Sincerely,



Michael E. Stogner
Engineer/Hearing Officer

MS/ms

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