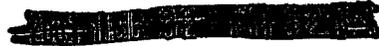


Resited: 9-1-2004
PSEMO-420534536
New Suspense Date: 9-21-04

August 28, 2004



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

RECEIVED

SEP 1 2004

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

RE: Administrative Approval of Unorthodox Location
Turner Hughes # 8S
910' FNL, 2225' FWL
Section 4-T27N-R9W
San Juan County, New Mexico

Dear Mr. Stogner:

Energen Resources Corporation (Energen) previously requested Administrative Approval for an Unorthodox Location of its proposed Turner Hughes # 8S Fruitland Coal well under the provisions of New Mexico Oil Conservation Division (NMOCD) Order R-8768. This request was returned denied due to a lack of information relating to the ownership of the offsetting section.

The well is located 910' FNL & 2225' FWL of Section 4-T27N-R9W, San Juan County, New Mexico and is located on BLM lease SF-078050. It is dedicated to a 330.98 acre gas spacing unit consisting of Lots 7-10, 15-18 (W/2) of said Section 4, 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 eastern boundary of the proration unit, causing a non-standard location. This well is being proposed on this well pad due to rough topography and to avoid an archeological site.

Energen is the operator of the E/2 Section 4, an offsetting spacing unit and none of the other offsetting spacing units. Energen owns 100% working interest in this spacing unit through the same oil and gas lease that covers the W/2 of Section 4. A copy of this application is therefore being sent to the remaining offsetting spacing unit operators by certified mail-return receipt request with a request that they furnish your office 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.

This application is being returned with the additional information added. Your favorable consideration of this request would be appreciated. Please advise should you require additional information in this regard.

Sincerely,

David M. Poage
District Landman

DATE IN 7.22.04	RECEIVED SUSPENSE 8-11-2004	ENGINEER Stagner	LOGGED 7.23.04	TYPE NSL
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JUL 22 2004

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

#PSEM04594536
420534536

OIL CONSERVATION

- Engineering Bureau -

Turner Hughes & S

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 [] 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.

David M. Poage		District Landman	7/21/04
Print or Type Name	Signature	Title	Date

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994
Instructions on back

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 TURNER HUGHES		*Well Number BS
*OGRID No. 162928	*Operator Name ENERGEN RESOURCES CORPORATION		*Elevation 7108'

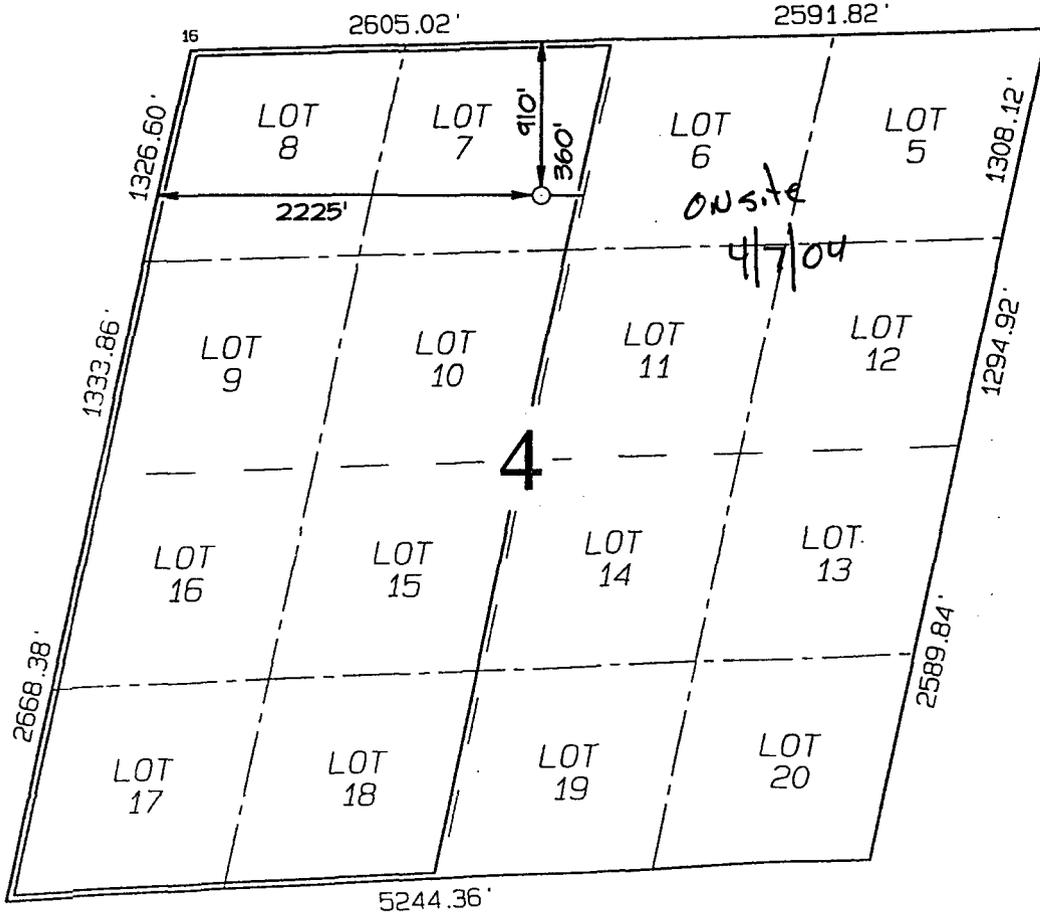
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	4	27N	9W		910	NORTH	2225	WEST	SAN JUAN

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 306.98 Acres - (W/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



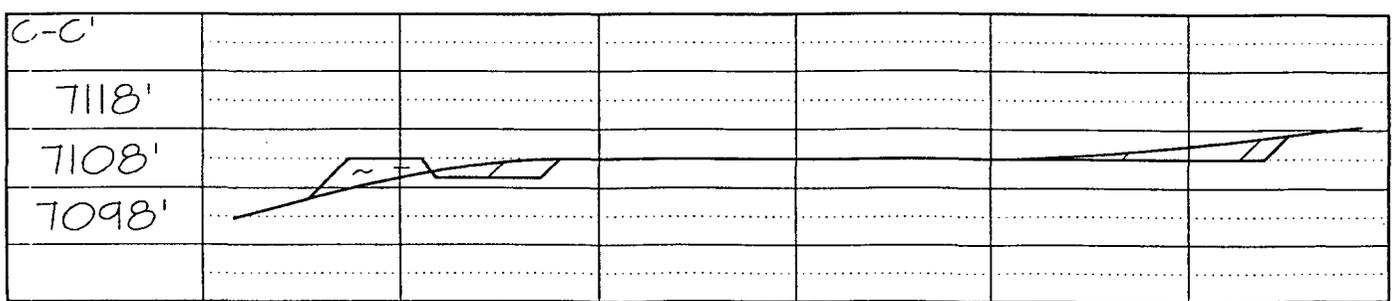
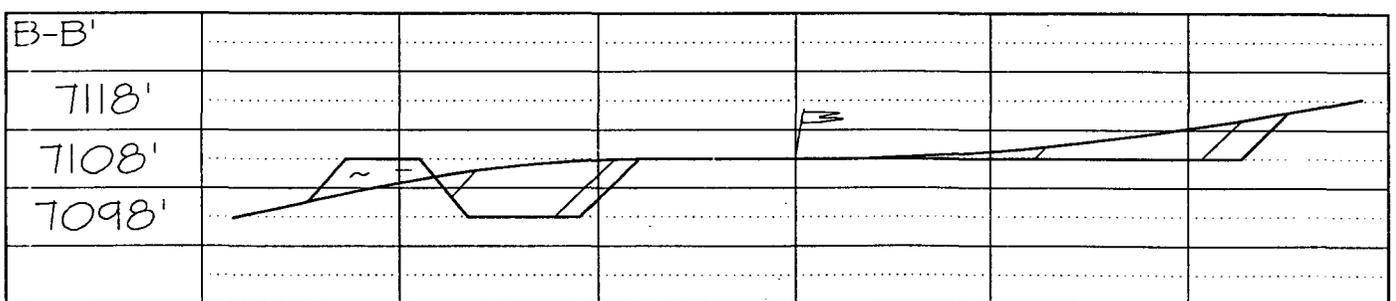
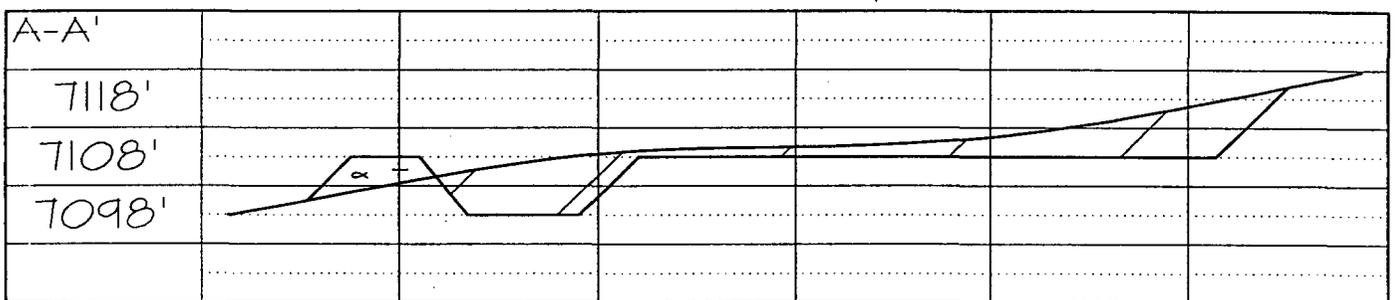
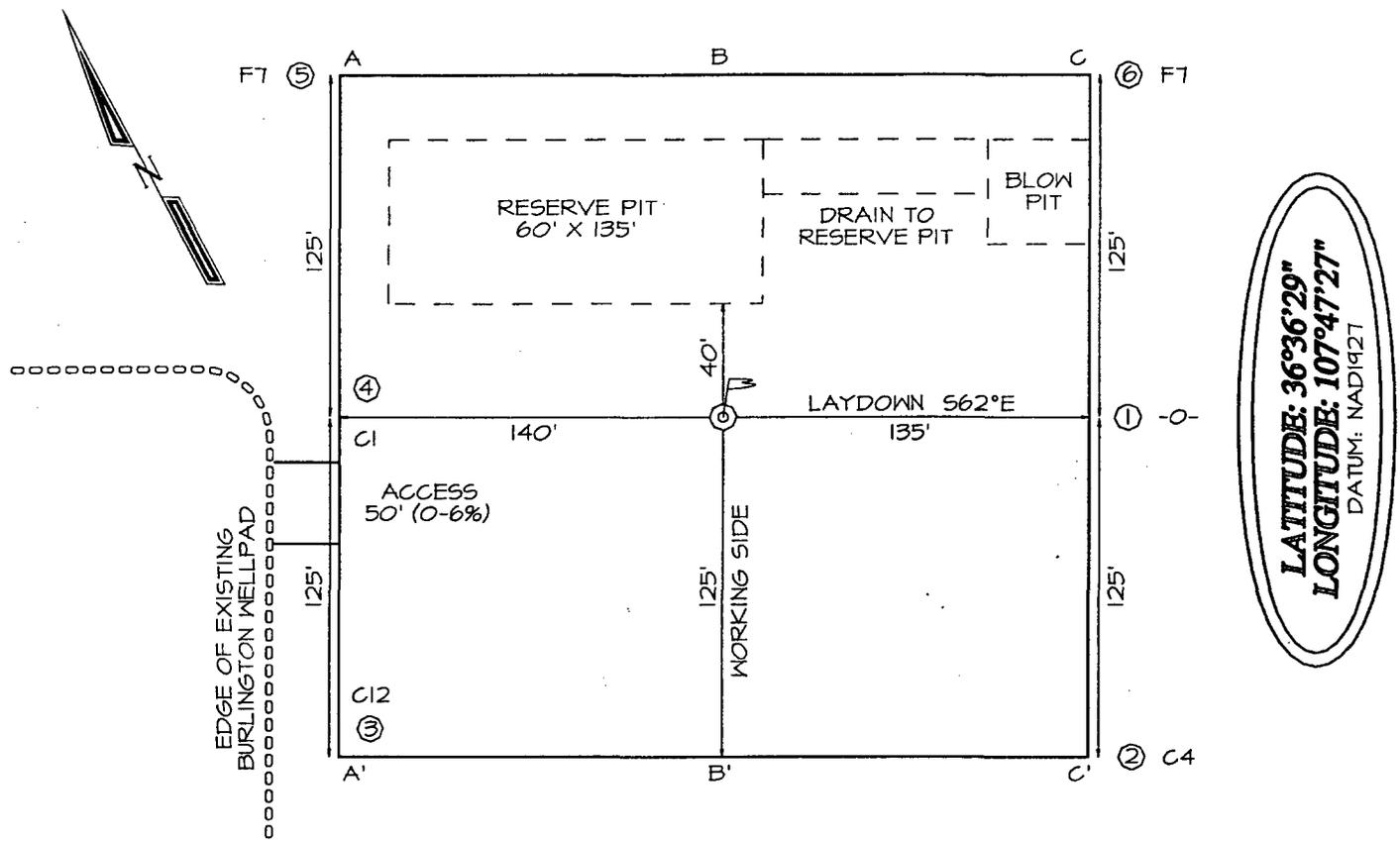
¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
David M. Poage
Signature
DAVID M. POAGE
Printed Name
DISTRICT LANDMAN
Title
7-21-04
Date

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.
Date of Survey: MARCH 8, 2004
Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

**ENERGEN RESOURCES CORPORATION TURNER HUGHES #8S
 910' FNL & 2225' FWL, SECTION 4, T27N, R9W, NMPM
 SAN JUAN COUNTY, NEW MEXICO GROUND ELEVATION: 7108'**



ENERGEN RESOURCES CORPORATION TURNER HUGHES #85
660' FNL & 1825' FNL, SECTION 4, T27N, R9W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

