



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

September 17, 2004

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

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

**Attention: David M. Poage  
District Landman**

*Re: Administrative application (administrative application reference No. pSEM0-425845987) for an exception to the well location provisions of the Basin-Fruitland Coal (Gas) Pool (71629) for Energen Resources Corporation's ("Energen") proposed Carracas Well No. 19-B Well No. 1-R (API No. 30-039-27457) to be drilled as a replacement coal gas well at an unorthodox well location 735 feet from the North line and 310 feet from the East line (Unit A) of Section 19, Township 32 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, within the E/2 of Section 19, being a standard 320-acre stand-up gas spacing unit that was at one time dedicated to Energen's Carracas Unit 19-B Well No. 1 (API No. 30-039-24401), located at an unorthodox coal gas well location (approved by Division Administrative Order NSL-2597, as amended) 750 feet from the North line and 400 feet from the East line (also in Unit A) of Section 19.*

Dear Mr. Poage:

Your application was received on September 14, 2004, I find it necessary however that Energen addresses its future plans for the original Carracas Unit 19-B Well No. 1 that was initially dedicated to the E/2 of Section 19. Attached is a copy of the last two well reports in the Division's internet database dated October 21, 2002 and July 24, 2003. Please provide me a copy of the latest "notice of intent" or a detailed discussion that assures me that this well will no longer be capable of producing coal gas from the Basin-Fruitland Coal (Gas) Pool.

Since the submitted information is insufficient to review, the application was ruled as incomplete on September 17, 2004. Please submit the above stated information by Monday, September 27, 2004. Upon receipt, the Division will continue to process your application. The additional information can be: (i) faxed to (505) 476-3462; (ii) e-mailed to "[mstogner@state.nm.us](mailto:mstogner@state.nm.us)"; or (iii) mailed to the address shown above.

Should you have any questions concerning this matter, please contact your legal counsel, Mr. Scott Hall in Santa Fe at (505) 989-9614. Thank you.

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No. MM-38015

6. If Indian, Allottee or Tribe Name \_\_\_\_\_

7. If Unit or CA/Agreement, Name and/or No. Garraeus Unit  
Farmington, NM

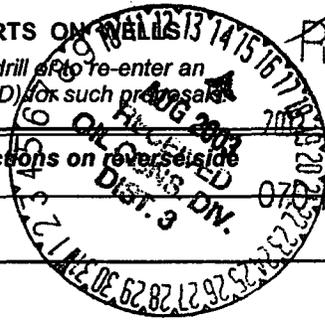
8. Well Name and No. Carracus Unit 19B 1

9. API Well No. 30-039-24401

10. Field and Pool, or Exploratory Area Basin Fruitland Coal

11. County or Parish, State Rio Arriba NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side



1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
**ENERGEN RESOURCES CORPORATION**

3a. Address  
2198 Bloomfield Highway, Farmington, NM 87401

3b. Phone No. (include area code)  
30-039-24401

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
750' FNL, 400' FEL, Sec. 19, T32N, R4W, NMPM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Return to Production</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Energen Resources plans to return this well to production as follows:

- 1) Pressure test casing to 550 psi.
- 2) TOH w/ 1/1/2" tubing (currenting set at 3963').
- 3) TIH & drill out CIBP at 4000'.
- 4) Clean out to PBTD @ 4177'.
- 5) TIH w/tbg and set at bottom perforation.
- 6) Run pump and rods.
- 7) Return to production.

*Cancel intent to Park*

14. I hereby certify that the foregoing is true and correct  
 Name (Printed/Typed) Charlie Donahoe Title District Engineer

*Charlie Donahoe* Date 7/24/2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **Original Signed: Stephen Mason** Title \_\_\_\_\_ Date AUG 13 2003

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office \_\_\_\_\_

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOCU

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

5. Lease Serial No.  
NMNM30015

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	8. Well Name and No. CARRACAS 19 B 1
2. Name of Operator BP AMERICA PRODUCTION CO Contact: MARY CORLEY E-Mail: corleyml@bp.com	9. API Well No. 30-039-24401-00-S1
3a. Address P. O. BOX 3092 HOUSTON, TX 77253	10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
3b. Phone No. (include area code) Ph: 281.366.4491 Fx: 281.366.0700	11. County or Parish, and State RIO ARRIBA COUNTY, NM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 19 T32N R4W NENE 0750FNL 0400FEL 36.97737 N Lat, 107.28781 W Lon	

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recombine
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Other

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

BP America Production Company respectfully request permission to plug and abandon the subject well as per the following procedure:

Notify regulatory agencies (BLM-505-599-8907) and (NMOCD-Charlie Perrin 505-334-6178x16) 24 hours in advance of plugging activity. Use Class #8216; B#8217; neat cement for all cement plugs.

1. Check anchors. MIRU workover rig.
2. Check and record tubing, casing, and bradenhead pressures.
3. Blow down wellhead. If necessary, kill with 2% KCL water.
4. Nipple down WH. NU BOPs. Pressure test BOPs to 500 psi.
5. TOH with 1-1/2" tubing. If tubing is in poor condition, LD production tubing and PU 2-3/8" workstring to spot cement plugs. Note: CIBP is currently set at 4000' kb (3988' md).
6. Spot 400' cement plug (55 cu ft) from 3600' #8214; 4000' kb above CIBP.
7. TOH to 3616' kb. Spot 350' balanced plug (48 cu ft) from 3266' #8214; 3616' kb across Ojo  
Plug Nacimiento 2316'-2216'  
plug surface casing shoe 356'-256'



14. I hereby certify that the foregoing is true and correct.

Electronic Submission #15350 verified by the BLM Well Information System  
For BP AMERICA PRODUCTION CO, sent to the Farmington  
Committed to AFMSS for processing by Steve Mason on 10/21/2002 (03SXM0034SE)

Name (Printed/Typed) MARY CORLEY	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 10/21/2002

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <b>Original Signed: Stephen Mason</b>	Title	Date 11/5/02
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**\*\* REVISED \*\* REVISED \*\***

**NMOCD**

**Additional data for EC transaction #15350 that would not fit on the form**

**32. Additional remarks, continued**

Alamo.

8. TOH to 150' kb. Spot 150' plug (21 cu ft) from 150' kb to surface.

9. LD 2-3/8" workstring.

10. ND BOPs. Cut off casing and wellhead. Install P&A marker.

11. Rehabilitate location according to BLM/NMOCD regulations.

## Stogner, Michael

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**From:** David Poage [David.Poage@energen.com]  
**Sent:** Monday, September 27, 2004 9:54 AM  
**To:** mstogner@state.nm.us  
**Subject:** NSL- Carracas Unit 19-B # 1



Carracas 19B #1 -  
Michael Stog...

Michael:

Pursuant to your request Energen Resources hereby submits additional information relating to the referenced well.

Please contact either Charlie or myself if you require additional information.

Thank You,

Dave Poage

<<Carracas 19B #1 - Michael Stogner.doc>>

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This email has been scanned by the MessageLabs Email Security System.  
For more information please visit <http://www.messagelabs.com/email>

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Michael E. Stogner  
Chief Hearing Officer/Engineer  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Re: Carracas Well No. 19B #1

Energen Resources received your letter dated September 17, 2004 concerning the subject well. Your letter stated that you require the latest Notice of Intent or a detailed discussion that assures you that this well is no longer capable of producing coal gas from the Basin Fruitland Coal Pool.

Prior to Energen taking over operations on June 1, 2003, BP (previous operator) had filed an intent to P&A the well. Once we became operator of this well, a decision was made to attempt to return this well to production. The sundry to cancel the previous P & A intent and return this well to production was approved by the Farmington BLM on August 13, 2003. On September 7, 2004 while attempting to return this well to production, a casing leak was isolated between 3865-3985'. At this point, the decision was made to abandon the return to production attempt and re-drill the well. Upon approval of the NSL for the replacement well, Carracas 19B #1R, we will file the intent to Plug and Abandon the subject well.

Charlie Donahue-505-566-4680-Engineering  
Dave Poage 505-326-6162-Land