

DATE IN 8/2/01	SUSPENSE 8/22/01	ENGINEER MS	LOGGED KN	TYPE NSP 12/853.507
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

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 **AUG 02 01**

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] 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 P. Corcoran
Print or Type Name

Richard Corcoran
Signature

District Landman
Title

7-31-01
Date

SAN JUAN 32-5 UNIT # 111

July 31, 2001

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION
AND NON-STANDARD SPACING UNITS
SAN JUAN 32-5 UNIT #111 WELL (FRUITLAND COAL)
1005' FNL AND 740' FWL SECTION 31
SAN JUAN 32-5 UNIT #112 (FRUITLAND COAL)
410' FSL AND 150' FEL SECTION 19
T32N-R5W
RIO ARRIBA COUNTY, NEW MEXICO

(30-039-26637)

Dear Mr. Stogner:

Energen Resources Corporation (Energen) requests administrative approval for unorthodox locations and non-standard spacing units for its San Juan 32-5 Unit #111 and #112 wells under the provisions of New Mexico Oil Conservation Division (NMOCD) Order R-8768-B.

The western tier of sections in T32N-R5W are irregular in size with sections 18, 19, 30 and 31 being committed to the San Juan 32-5 Unit. The acreage in each section is as follows:

- Section 18:** Lot 1 (44.48 acres), Lot 2 (44.13 acres), Lot 3 (44.15 acres), Lot 4 (44.41 acres) totaling 177.17
- Section 19:** Lot 1 (44.50 acres), Lot 2 (44.52 acres), Lot 3 (44.52 acres), Lot 4 (44.54 acres) totaling 178.08
- Section 30:** Lot 1 (44.22 acres), Lot 2 (43.59 acres), Lot 3 (43.30 acres), Lot 4 (43.30 acres) totaling 174.41
- Section 31:** Lot 1 (43.11 acres), Lot 2 (42.73 acres), Lot 3 (42.61 acres), Lot 4 (42.73 acres) totaling 171.18

Under Division Order No. 4-1714 dated July 6, 1960 the NMOCD authorized a gas spacing and proration unit for the Blanco Mesaverde Formation comprising all of irregular Sections 30 and 31, T32N-R5W, Rio Arriba County, New Mexico containing 345.59 acres, for the San Juan 32-5 Unit #9 well. By Division Order No. R-1722 dated 7-21-60 the same gas spacing unit was dedicated to the Basin Dakota Pool for the San Juan 32-5 Unit #9 well. Ultimately three (3) additional wells were drilled in this proration unit, two (2) that tested the Mesaverde and Dakota, being the San Juan 32-5 Unit #'s 9M and 9R wells, and a stand alone Mesaverde, the San Juan 32-5 Unit #9C.

Energen is making plans to drill the San Juan 32-5 Unit #111 Fruitland coal well at a location 1005' FNL and 740' FWL of Section 31-T32N-R5W, Rio Arriba County, New Mexico. Approval of a non-standard proration unit for the Fruitland Coal formation consisting of all of Section 30 and 31, containing 345.59 acres is requested. Further, although our proposed location is legal from a footage perspective, since the section consists of four (4) lots and our proposed location is not in the "NE/4" or "SW/4" designation as called for in Rule 7 of Order R-8768-B; if an unorthodox location is required, it is hereby requested.

Under Division Order No. R-2319 dated October 3, 1962 the NMOCD authorized an unorthodox location and non-standard proration unit for the Blanco Mesaverde and Basin Dakota gas pools

*Please note
940' FWL equates
to 680' FEL in
this
Section*

Administrative Approval of Unorthodox Location
and non-standard spacing units
San Juan 32-5 Unit #111
San Juan 32-5 Unit #112
July 31, 2001

comprising all of irregular Sections 18 and 19, T32N-R5W, NMPM, Rio Arriba county, New Mexico, containing 355.25 acres in conjunction with drilling the San Juan 32-5 Unit #1X well. Subsequently Energen drilled the San Juan 32-5 Unit #1R Mesaverde well 455' FSL and 1,275' FEL of Section 19-T32N-R5W.

Energen is making plans to drill its San Juan 32-5 Unit #112 Fruitland Coal well at a location 410' FSL and 1,320' FEL of Section 19-T32N-R5W, Rio Arriba County, New Mexico. Approval of a non-standard proration unit for the Fruitland Coal formation consisting of all of Section 18 and 19, containing 355.25 acres is requested. Further our proposed location is not in the NE/4 or SW/4 of Section 19 and is located closer than 660' from the section line, requiring we request an unorthodox location designation.

As section 19 is 1,470' wide and the terrain is extremely rough there are very limited possibilities for a well site. Consequently we intend to locate this well on the same pad as the San Juan 32-5 Unit #1R which we drilled last year. Energen was required by the Bureau of Land Management to move the #1R well to its location to minimize cut and fill and to reduce visual impact of the location, which was approved by the NMOCDC under order NSL-4482 (NSP) on July 6, 2000.

For the forgoing reasons Energen Resources Corporation respectfully requests Administrative approval of nonstandard spacing units and unorthodox locations for the above described wells.

A copy of this application is being submitted to all offset operators or interest owners by certified mail with a request that they furnish your office in Santa Fe with a Waiver of Objection.

Attached is a well location plat showing acreage, a topographic plat of the area and a map showing all offsetting operators.

Sincerely,

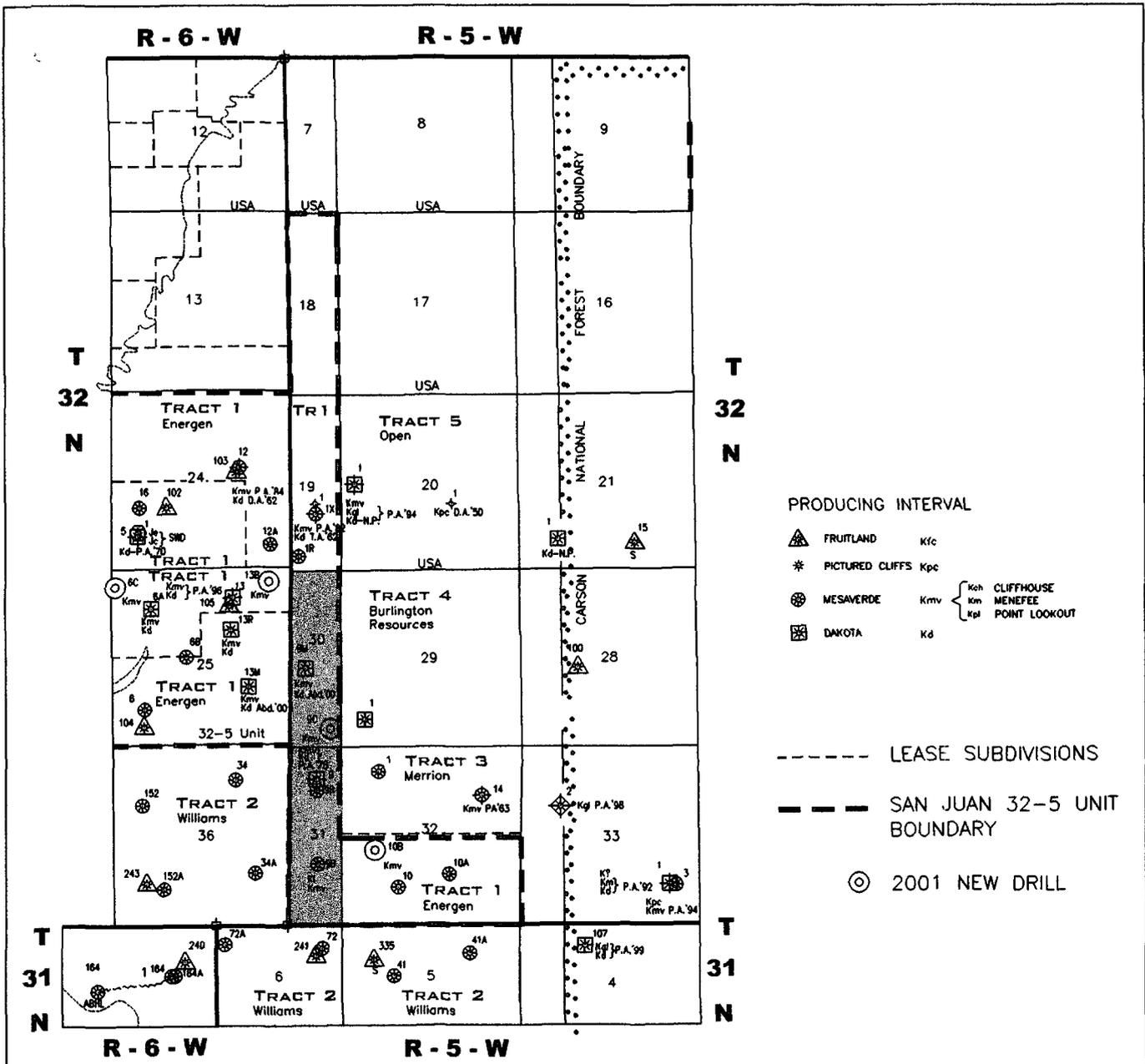


Richard P. Corcoran
District Landman

RPC/ga

Enclosures

cc: NMOCDC-Aztec, BLM-Farmington, Offset Operators



PRODUCING INTERVAL

- ▲ FRUITLAND Kfc
- * PICTURED CLIFFS Kpc
- MESAVERDE Kmv
 - ↳ Kch CLIFFHOUSE
 - ↳ Km MENEFEE
 - ↳ Kpl POINT LOOKOUT
- DAKOTA Kd

----- LEASE SUBDIVISIONS

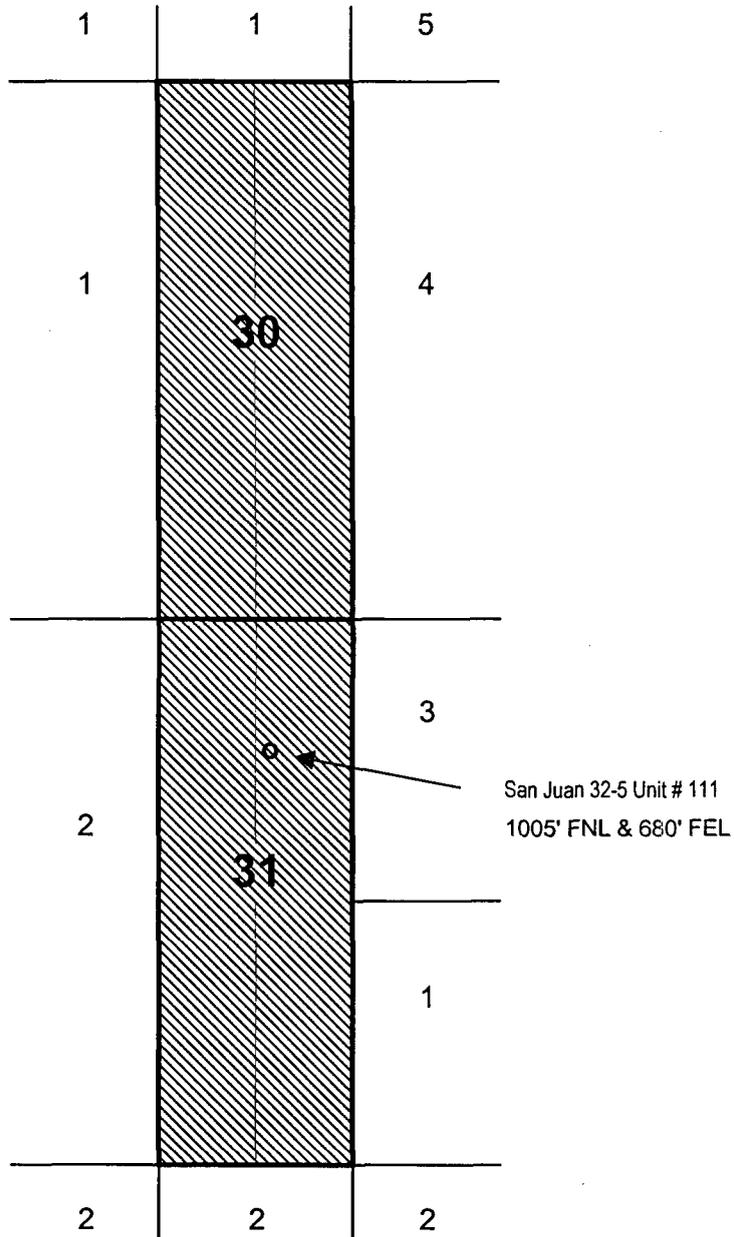
----- SAN JUAN 32-5 UNIT BOUNDARY

⊙ 2001 NEW DRILL

- TRACT 1** Energen Resources Corporation
All: Sec. 19, T32N-R5W
S/2: Sec. 32, T32N-R5W
All: Sec. 24 & 25, T32N-R6W
- TRACT 2** Williams Production Corporation
All: Sec. 5 & 6, T31N-R5W
All: Sec. 36, T32N-R6W
- TRACT 3** Merrion
N/2: Sec. 32, T32N-R5W
- TRACT 4** Burlington Resources
All: Sec. 29, T32N-R5W
- TRACT 5** Open/BLM
All: Sec. 20, T32N-R5W

	ENERGEN RESOURCES CORPORATION 2198 Bloomfield Hwy Farmington, NM 87401
	OFFSET OPERATOR/OWNERS SAN JUAN 32-5 UNIT #111 WELL 1005' FNL & 680' FEL, SEC. 31, T32N-R5W RIO ARRIBA CO., NEW MEXICO
June, 2001	SCALE: N.T.S.

Energen Resources Corporation
OFFSET OPERATOR \ OWNER PLAT
San Juan 32-5 Unit 111
Fruitland Coal Formation
Township 32 North - Range 5 West
All of Sections 30 and 31, containing 345.59 acres more or less



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- 1. Energen Resources Corp.

 - 2. Williams Production Company

 - 3. Merrion Oil & Gas Corp.

 - 4. Burlington Resources

 - 5. Open / Breau of Land Management

District II
 PO Drawer 00, Artesia, NM 88211-0719

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

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 SAN JUAN 32-5 UNIT		*Well Number 111
*OGRID No. 162928	*Operator Name ENERGEN RESOURCES CORPORATION		*Elevation 6654

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	31	32N	5W		1005	NORTH	680	EAST	RIO ARRIBA

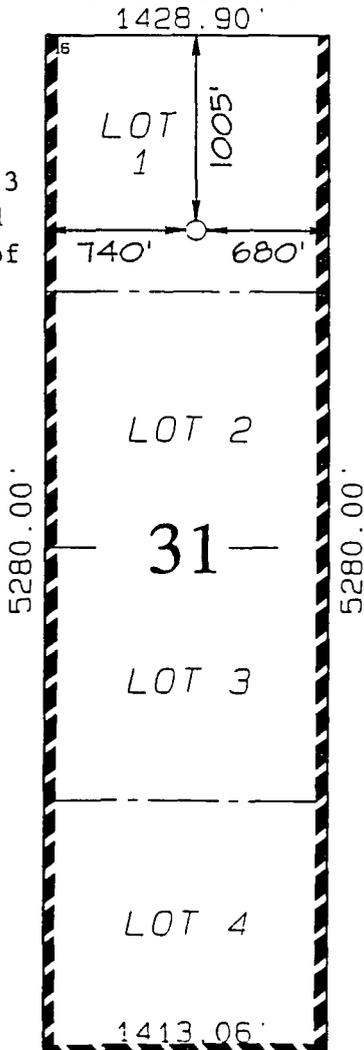
¹¹ Bottom Hole Location If Different From Surface

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 345.59	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

Includes Lots 1, 2, 3 and 4 of Sec. 31 and Lots 1, 2, 3 and 4 of Sec. 30



¹⁷ OPERATOR CERTIFICATION

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

Gary Brink
 Signature

Gary Brink
 Printed Name

Production Superintendent
 Title

1/9/01
 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.

SEPTEMBER 12, 2000
 Date of Survey

Signature and Seal of Surveyor

NEALE C. EDWARDS
 NEW MEXICO
 6857
 REGISTERED PROFESSIONAL SURVEYOR

Certificate 6857

ENERGEN RESOURCES CORPORATION SAN JUAN 32-5 UNIT #111

1005' FNL & 680' FEL, SECTION 31, T32N, R5W, N.M.P.M.
RIO ARRIBA COUNTY, NEW MEXICO

