

6/02
 DATE IN 5/27/15 SUSPENSE ENGINEER MAM LOGGED IN 6/1/15 TYPE NSL APP NO. pJAG 1515256807

ABOVE THIS LINE FOR DIVISION USE ONLY

-needs
notification
2020462012
Start 6/02/2015

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms: [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication

☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [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

[D] Other: Specify _____

NSL 7312
 Operator: Energen
 Resources Corporation
 well: Richardson Navajo
 162928
 27-13-10 #4H
 API: 30-045-35242
 Pool: Basin Mancos
 97232

[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] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Bryan Lewis

Print or Type Name

Signature

Bryan Lewis

Landman

Title

Date

05/19/2015

Bryan.Lewis@energen.com

e-mail Address



May 19, 2015

Mr. David Catanach, Director
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87501

**RE: Energen Resources Corporation
Request for Administrative Approval
Unorthodox Well Location
Basin-Mancos Gas Pool (97565)**

**Richardson Navajo 27-13-10 Well No. 4H (Horizontal)
API No. 30-045- 35242
S/2 Section 10, T27N, R13W (Project Area)
1282' FSL and 1386' FWL (N), Section 11 (Surface)
380' FSL and 380' FWL (M), Section 10 (Bottom Hole)
Completed Interval: 380' FSL and 380' FEL (entry point) to
380' FSL and 380' FWL, Section 10
T27N, R13W, NMPM
San Juan County, New Mexico**

RECEIVED OCD
2015 MAY 27 P 3:25

Dear Mr. Catanach:

Pursuant to Division Rule 19.15.15.13 and the applicable rules governing the acreage and well location requirements for the Basin-Mancos Gas Pool (97232; Order No. R-12984), Energen Resources Corporation requests administrative approval for the Richardson Navajo 27-13-10 Well No. 4H to be drilled at the unorthodox surface and bottom hole locations indicated above. The well will be drilled in a 320 acre \pm spacing and proration unit and horizontal drilling project area comprised of the S/2 of Section 10, Township 27 North, Range 13 West, NMPM in San Juan County.

Energen seeks an exception from the applicable well location rules for the following reasons: Order No. R-12984 established special pool rules for the Basin-Mancos Pool including 320 acre spacing units and well location setbacks of 660'. The special pool rules also provide that oil wells located within two miles of certain Gallup oil pools or associated pools identified in Order No. R-12984 are to be drilled and spaced in accordance with the rules applicable to those pools. The spacing unit proposed in this case is located adjacent to the Amarillo - Gallup Oil Pool (1330) and the well is expected to produce oil from a correlative

Mr. David Catanach, Director
May 19, 2015
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stratum. The current rules for that pool reflect statewide rules and provide that wells shall be located no closer than 330' to the boundary of a unit, with 40-acre units dedicated to the wells. However, this pool is not among the pools specified in Order No. R-12984 and therefore, the rules for the pool may not be extended to the proposed spacing unit and well location. Operator experience has established that oil wells located in accordance with the setbacks for gas wells won't efficiently recover all the reserves in the unit and for all these reasons, this application for exception is made necessary. (See Exhibit A.)

In this case the well's Completed Interval will be no closer than 380' to the outer boundaries of the S/2 unit and will be located entirely within the Producing Area for the Project Area that would be established with 330' setbacks. The well otherwise complies with statewide locational rules applicable to oil wells. The spacing unit and well location are also consistent with the established development pattern for horizontal and vertical Mancos oil wells in the area. The C-102 plat showing the S/2 Project Area and the proposed location for the Richardson Navajo 27-13-10 Well No. 4H is attached as Exhibit B.

In accordance with Division Rule 19.15.4.12 A(2) notification is being provided to those offset interest owners or operators in adjoining spacing units reflected on Exhibit B. Energen Resources Corporation owns and operates the adjoining unit in the SW/4 of Section 11 and the N/2 of Section 10 under a single federal lease NMSF 077972. The Bureau of Land Management is being notified of this application, but no further notification is indicated under the Division's rules.

The Division's Administrative Application Checklist is enclosed.

Thank you for your consideration of this request. Should more information be required, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Bryan Lewis". The signature is fluid and cursive, with the first name "Bryan" being more prominent than the last name "Lewis".

Bryan Lewis
Landman

Mr. David Catanach, Director
May 19, 2015
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Offset Owners / Operators Notified

Bureau Of Land Management
6251 College Boulevard, Suite A
Farmington, NM 87402

Phillip L. White
Post Office Box 25968
Albuquerque, NM 87125

Four Starr Energy, Inc.
8235 Douglas Avenue, Suite 525
Dallas, TX 75225



Date: May 18, 2015

From: Donald Lehman
Geologic Manager San Juan Basin

To: Bryan Lewis
Landman, San Juan Basin

RE: Reduced set-backs request
Richardson Navajo 27-13-10 # 4H (Horizontal Mancos / Gallup)
T27N-R13W Section 10: S/2 Project Area
San Juan County, New Mexico

Reduced set-backs of 330 feet versus the current legal 660 feet are requested for this well in order to gain optimal production from the Mancos / Gallup reservoir. Horizontal drilling has proven that maximum lateral length is the most efficient method in draining a reservoir and thus the request for 330 foot set-backs. Offset acreage to the East of the proposed 330 feet set-backs is 100% owned by Energen Resources Corporation.

A handwritten signature in black ink, appearing to read "D. Lehman".

Donald D. Lehman

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to
appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30.045.35242	² Pool Code 97232	³ Pool Name BASIN MANCOS
⁴ Property Code 314806	⁵ Property Name RICHARDSON NAVAJO 27-13-10	⁶ Well Number 04H
⁷ OGRD No. 162928	⁸ Operator Name ENERGEN RESOURCES CORPORATION	⁹ Elevation 5922

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
N	11	27-N	13-W		1282'	SOUTH	1386'	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
M	10	27-N	13-W		380'	SOUTH	380	WEST	SAN JUAN
¹² Dedicated Acres 320 Acres S/2 SEC 10			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.		

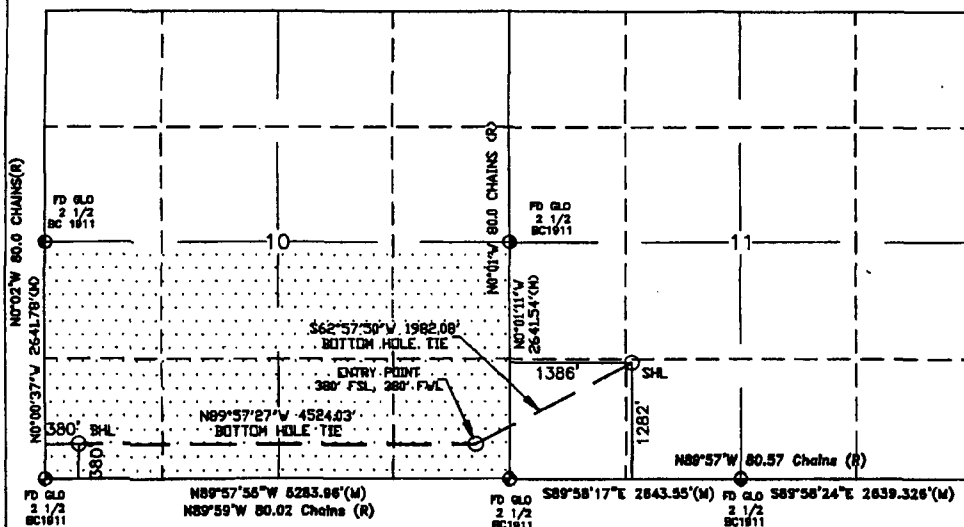
No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

16

BOTTOM HOLE:
LAT: 36.583569°N-NAD 83
LONG: 108.214231°W-NAD 83
LAT: 36.58356°N-NAD 27
LONG: 108.21360°W-NAD 27

ENTRY POINT:
LAT: 36.583561°N-NAD 83
LONG: 108.198828°W-NAD 83
LAT: 36.58356°N-NAD 27
LONG: 108.19820°W-NAD 27

SURFACE HOLE LOCATION:
LAT: 36.586035°N-NAD 83
LONG: 108.192817°W-NAD 83
LAT: 36.58603°N-NAD 27
LONG: 108.19219°W-NAD 27



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.

Anna Stotts 4.28.15
Signature Date
ANNA STOTTS
Printed Name
astotts@energen.com
E-mail Address

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.

NOV 25, 2008

Date of Survey

Signature of State-licensed Surveyor:

WILLIAM E. MAHNE III
REGISTERED
NEW MEXICO
8466
WILLIAM E. MAHNE III
Certificate Number: 85108466


CERTIFICATE OF SERVICE

I hereby certify that on this 22nd day of May, 2015, a true and correct copy of the Request for Administrative Approval of Unorthodox location and Notification Letter for the Richardson Navajo 27-13-10 #4H well (API 30-045-35242) was served via U.S. Mail, Certified, Return Receipt Requested postage pre-paid, and properly addressed to the following:

Bureau Of Land Management
6251 College Boulevard, Suite A
Farmington, NM 87402

Phillip L. White
Post Office Box 25968
Albuquerque, NM 87125

Four Starr Energy, Inc.
8235 Douglas Avenue, Suite 525
Dallas, TX 75225



Bryan Lewis

CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of June, 2015, a true and correct copy of the Request for Administrative Approval of Unorthodox location and Notification Letter for the Richardson Navajo 27-13-10 #4H well (API 30-045-35242) was served via U.S. Mail, Certified, Return Receipt Requested postage pre-paid, and properly addressed to the following:

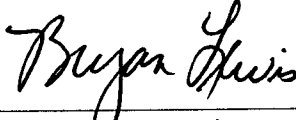
Maralex Resources, Inc.
Post Office Box 338
Ignacio, CO 81137-0338

Patrick Hegarty
Post Office Box 1317
Aztec, NM 87410

Pendragon Resources, LP
621 17th Street, Suite 750
Denver, CO 80263

Running Horse Production Co., LLC
116 Mouache Drive
Ignacio, CO 81137

Devon Energy Production Co., LP
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010



Bryan Lewis

Mr. David Catanach, Dir
May 19, 2015
Page 3 of 3

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