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PTG-W

DATE IN 7.22.11	SUSPENSE	ENGINEER D.B.	LOGGED 7.22.11	TYPE 1120341679
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -

Evergen 162928  
RECEIVED OOD

Arboles 20 A #1R

**ADMINISTRATIVE APPLICATION COVERSHEET**

JUL 21 A 11:55

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]

Arboles 20A #1R  
30-039-37453  
201111  
Arboles 20A #10  
30-039-30291

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
- [ ] NSL [ ] NSP [ ] DD [X] 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

Rio

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or  Does Not Apply

- [A] [X] 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

R-13/119

[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	Gillian Black for	District Landman	7/20/11
Print or Type Name	Signature	Title	Date



July 15, 2011

Ms Jami Bailey  
Division Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, NM 87505

RE: Application of Energen Resources Corporation for Administrative Approval of the Simultaneous Dedication of the South-Half of Section 20, Township 32 North, Range 4 West, N.M.P. M., Rio Arriba County, New Mexico to its newly drilled Arboles 20 A # 10 Well and the existing Arboles 20 A # 1R Well.

Dear Ms. Bailey:

Energen Resources Corporation is the operator of a 320.00 acre spacing unit in the Basin Fruitland Coal Pool (**Pool Code 71629**) comprised of the south-half of Section 20, Township 32 North, Range 4 West, N.M.P.M., Rio Arriba County, New Mexico. This spacing unit is dedicated to Energen's Arboles 20 A # 1R which was vertically drilled, sidetracked and produces from the Fruitland Coal formation.

Energen seeks administrative approval of the simultaneous dedication of this 320.00m acre spacing unit to the following two gas wells:

A. the **Arboles 20 A # 1R well (API No. 30-039-37453)** drilled from a surface location 1490' FSL and 790' FWL, bottom holed at a pint 1980' FSL and 2640' FWL of Section 20; and

B. the newly drilled **Arboles 20 A # 10 well (API No. 30-039-30291)** which was horizontally drilled form a surface location 990' FSL and 820' FWL of Section 21, to a proposed bottom hole location 692' FSL and 531' FWL of Section 20. The entry point was at 706' FSL and 869' FEL of Section 20.

Neither well violates the existing set back requirements for these wells.

Attached hereto for each well is a copy of Division Form C-102 for these wells that show the surface and bottom hole locations of each well. In addition also enclosed is a map of the offset operators of all offsetting spacing units. Energen Resources is the operator of all offsetting spacing units and owns 100% of the working interest in all offsetting spacing units.

Since Energen is the only party required to be furnished a Notice to offset operators none is being attached to this application.

The simultaneous dedication of the South-Half of said Section 20 to the Arboles 20 A # 1R and the Arboles 20 A 10 wells will afford Energen the opportunity to efficiently produce the Fruitland Coal

formation under this spacing unit. Energen's proposed simultaneous dedication of these wells does not exceed the number of wells allowed by division Rule for this spacing unit.

Your attention to this application is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "David M. Poage", with a long horizontal flourish extending to the right.

David M. Poage

District Landman

Energen Resources Corporation

Enclosures

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies  
 AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

'API Number 30-039-27453		'Pool Code 71629		'Pool Name Basin Fruitland Coal	
'Property Code		'Property Name Arboles 20 A			'Well Number #1R
'OGRID No. 162928		'Operator Name Energen Resources Corporation			'Elevation 7405'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	20	32N	04W		1490'	South	790'	West	Rio Arriba

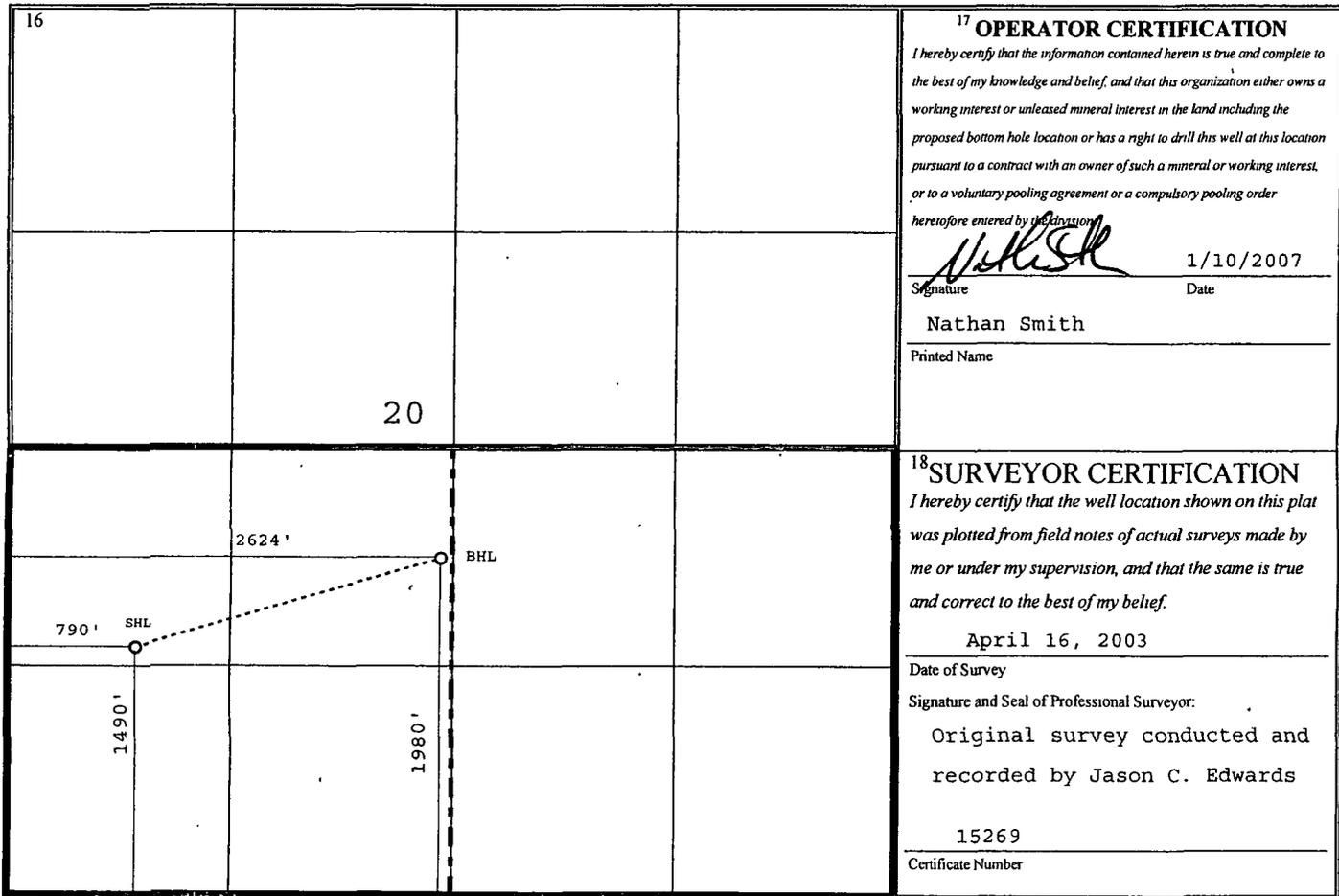
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	20	32N	04W		1980'	South	2624'	West	Rio Arriba

'Dedicated Acres 320.00 S/2	'Joint or Infill	'Consolidation Code	'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.

5270.10'



<sup>17</sup> 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 unleased 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.

*Nathan Smith* 1/10/2007  
Signature Date  
Nathan Smith  
Printed Name

<sup>18</sup> 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.

April 16, 2003  
Date of Survey  
Signature and Seal of Professional Surveyor:  
Original survey conducted and recorded by Jason C. Edwards

15269  
Certificate Number

5269.44'



