



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



September 26, 2011

Energen Resources Corporation
Attn: Mr. David M. Poage

Administrative Order SD-201121
Administrative Application Reference No. pTGW11-24556249

ADMINISTRATIVE SIMULTANEOUS DEDICATION ORDER

Operator: **Energen Resources Corporation**
OGRID: 162928

Subject Wells

Caracas 30 B Well No. 8 (existing vertical)
API No. 30-039-24442
2240 feet FNL & 620 feet FEL
Unit H, Section 30-32N-4W
Rio Arriba County, New Mexico

Caracas 30 B Well No. 6H (proposed horizontal)
API No. 30-039-30905
Rio Arriba County, New Mexico

Surface location

1560 feet FSL & 741 feet FWL (Unit L) Section 20-32N-4W

Penetration Point

100 feet FNL & 100 feet FEL (Unit A) Section 30-32N-4W

Terminus

1000 feet FNL & 400 feet FWL (Unit D) Section 30-32N-4W

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



Subject Unit

N/2 Section 30

310.45 acres

Basin Fruitland Coal Gas Pool (71629)

You have requested to simultaneously dedicate the Subject Unit to the Subject Wells.

The Subject Unit is a standard 320-acre, more or less, gas spacing unit in the above-identified pool. Applicable well density rules for this pool allow two wells to be completed in the unit, but require that the wells be in different quarter sections. Because the proposed well will be completed within both quarter sections of this 320-acre unit, including the quarter section in which the existing well is also completed, division approval for simultaneous dedication is required.

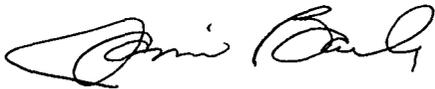
Your application has been duly filed under the provisions of Division Rules 15.11.C [19.15.15.11.C NMAC] and 4.12.A [19.15.4.12.A NMAC].

It is our understanding you have proposed the simultaneous dedication of this unit to the Subject Wells for geological reasons, in order to prevent waste and maximize production from this unit. We further understand that notice of this application to offsetting owners is unnecessary due to common ownership.

Pursuant to the authority granted by Rule 15.11.C, the above-described simultaneous dedication is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Aztec
United States Bureau of Land Management