

DATE IN 9.2.11	SUSPENSE	ENGINEER DKB	LOGGED 9.2.11/SD	TYPE 1124556249
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PTG-W

ABOVE THIS LINE FOR DIVISION USE ONLY
NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -

Emergen
Caracas 30B # G-4
Caracas 30B # 9

Carracas 30 B # 6

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
- [] 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

[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

[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		District Landman	8/31/11
Print or Type Name	Signature	Title	Date

August 31, 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 North-Half of Section 30, Township 32 North, Range 4 West, N.M.P. M., Rio Arriba County, New Mexico to its presently drilling Carracas 30 B # 6H Well and the existing Carracas 30 B # 8 Well.

Dear Ms. Bailey:

Energen Resources Corporation is the operator of a 310.45 acre spacing unit in the Basin Fruitland Coal Pool (**Pool Code 71629**) comprised of the north-half of Section 30, Township 32 North, Range 4 West, N.M.P.M., Rio Arriba County, New Mexico. This spacing unit is dedicated to Energen's Carracas 30 B # 8 which was vertically drilled and produces from the Fruitland Coal formation.

Energen seeks administrative approval of the simultaneous dedication of this 310.45 acre spacing unit to the following two gas wells:

A. the Carracas 30 B # 8 well (API No. 30-039-24442) vertically drilled from a surface location 2,240' FNL and 620' FEL of Section 30; pursuant to NSL-2595 and

B. the newly drilling Carracas 30 B # 6H well (API No. 30-039-30905) which is being horizontally drilled from a surface location 1,560' FSL and 741' FWL of Section 20, to a proposed bottom hole location 1,000' FNL and 400' FWL of Section 30. The entry point was at 100' FNL and 100' FEL of Section 30.

Neither well violates the existing set back requirements for these wells. There are 10' setbacks pursuant to Order R-13119.

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 North-Half of said Section 30 to the Carracas 30 B # 8 and the Carracas 30 B # 6H 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". The signature is written in a cursive style with a large, stylized initial "D".

David M. Poage
District Landman
Energen Resources Corporation

Enclosures

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2084
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

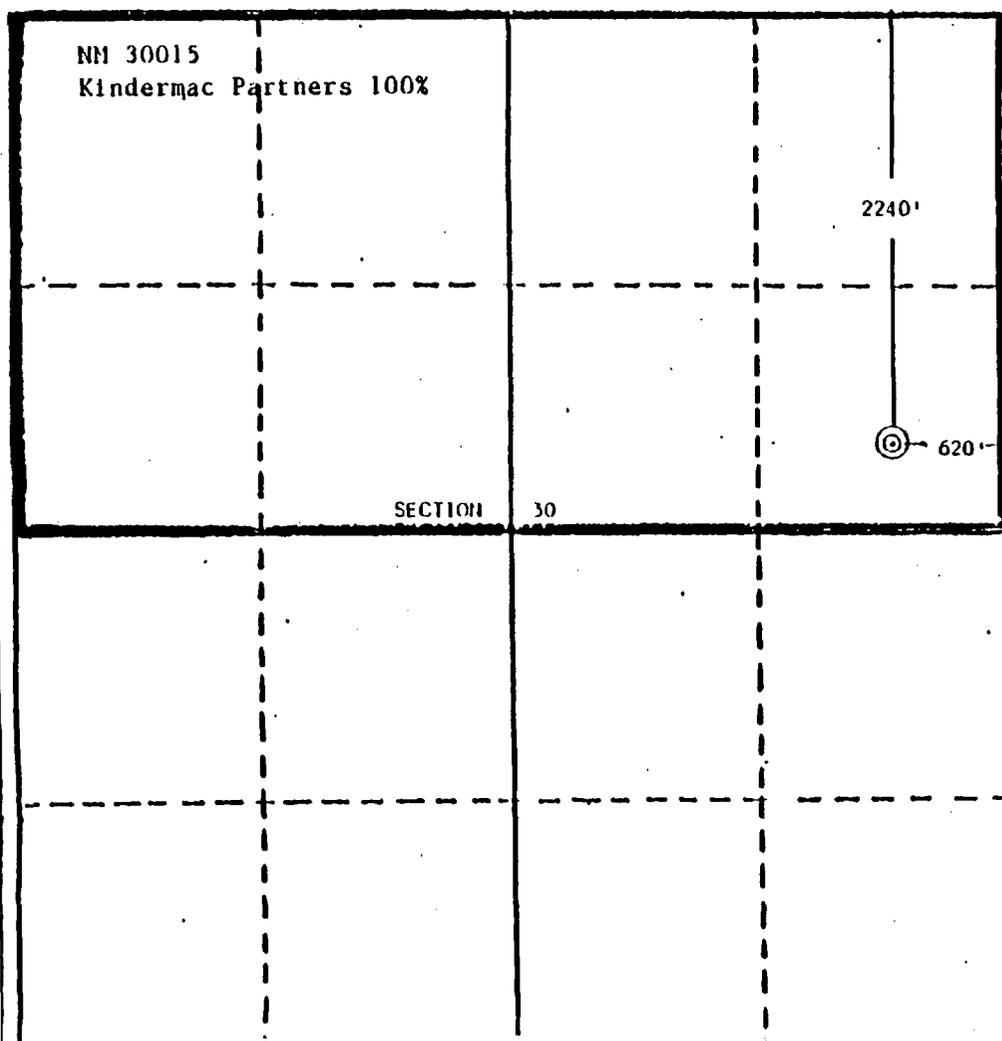
Operator Nassau Resources, Inc.		Lease Carracas Unit 30 B			Well No. 8
Unit Letter II	Section 30	Township 32 North	Range 4 West	County Rio Arriba	
Actual Footage Location of Wells 2240 feet from the North line and 620 feet from the East line					
Ground Level Elev. 7205	Producing Formation Fruitland	Pool Basin Fruitland Coal		Dedicated Acres 310.45 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation Unitization - Carracas Unit

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

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

Fran Perrin

Name
Fran Perrin

Position
Admin. Asst.

Company
Nassau Resources, Inc.

Date
January 31, 1989

Date Surveyed
September 2, 1988

Registered Professional Engineer and/or Land Surveyor

[Signature]

