



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
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Division Director
Oil Conservation Division



September 27, 2011

Energen Resources Corporation
Attn: Mr. David M. Poage

Administrative Order SD-201123
Administrative Application Reference No. pTGW11-24556805

ADMINISTRATIVE SIMULTANEOUS DEDICATION ORDER

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

Subject Wells

Carracas 14 A Well No. 13 (existing vertical)
API No. 30-039-24447
230 feet FSL & 380 feet FWL
Unit M, Section 14-32N-5W
Rio Arriba County, New Mexico

Carracas 14 A Well No. 16H (proposed horizontal)
API No. 30-039-30842
Rio Arriba County, New Mexico

Surface location

762 feet FSL & 1718 feet FWL (Unit N) Section 13-32N-5W

Penetration Point

800 feet FSL & 100 feet FEL (Unit P) Section 14-32N-5W

Terminus

1100 feet FSL & 100 feet FWL (Unit M) Section 14-32N-5W



Subject Unit

S/2 Section 14

320 acres

Basin Fruitland Coal Gas Pool (71629)

Reference is made to your application filed on September 2, 2011.

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, 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