

DATE 9.2.11	SUSPENSE	ENGINEER DK B	LOGGED 9.2.11/SD	TYPE 1124557628
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PTGW
1124557628

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

Carracas Unit # 119

Emergen
Carracas N #119H
Carracas U #107

ADMINISTRATIVE APPLICATION COVERSHEET

201124

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

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 2011 SEP -2 12:11 PM
 OLM 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



CERTIFIED MAIL-RECEIPT REQUESTED
7009 2820 0000 6910 8761

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 14, Township 32 North, Range 5 West, N.M.P. M., Rio Arriba County, New Mexico to its presently drilling Carracas Unit # 119H Well and the existing Carracas Unit # 103 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 north-half of Section 14, Township 32 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico. This spacing unit is dedicated to Energen's Carracas Unit # 103 which was vertically drilled and produces from the Fruitland Coal formation.

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

A. the Carracas Unit # 103 well (API No. 30-039-24555) vertically drilled from a surface location 1,000' FNL and 680' FEL of Section 14.

B. the newly drilling Carracas Unit # 119H well (API No. 30-039-30844) which is being horizontally drilled from a surface location 1,045' FNL and 480' FEL of Section 15, to a proposed bottom hole location 200' FNL and 400' FEL of Section 14. The 7" casing point was at 907' FNL and 105' FWL of Section 14.

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 14 to the Carracas Unit # 103 and the Carracas Unit # 119H 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 fluid and cursive, written in a professional style.

David M. Poage
District Landman
Energen Resources Corporation

Enclosures

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit to Appropriate
District Office
State Lease - 5 copies
Fee 1.00 - 3 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Amos, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

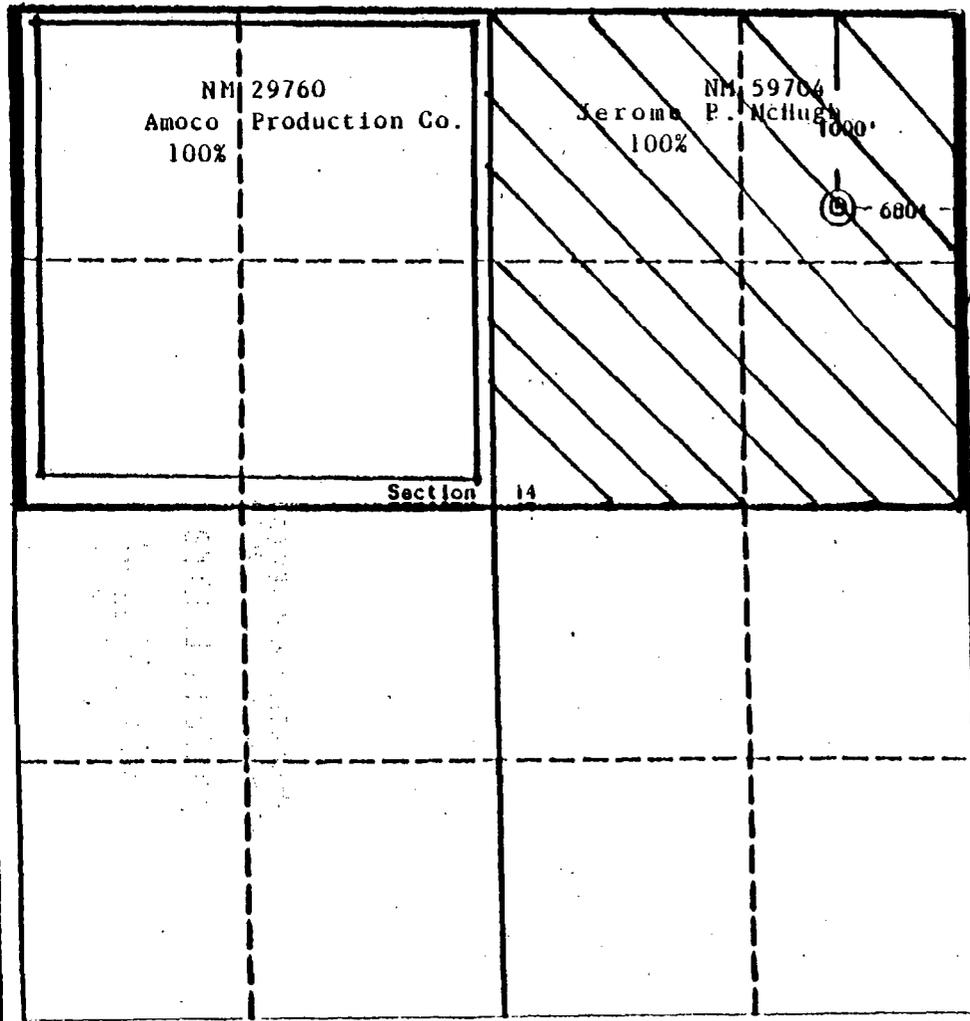
All Distances must be from the outer boundaries of the section

Operator Nassau Resources, Inc.			Lease Carracas Unit 14 A		Well No. 1
Well Letter A	Section 14	Township 32 North	Range 5 West	County MIAMI Rio Arriba	

Actual Footage Location of Well:

1000 feet from the North line and	680 feet from the East line	Dedicated Acreage: 320.0 Acres
Ground level Elev. 7380	Producing Formation Fruitland Coal	
Pool Basin Fruitland Coal		

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
 - If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
 - If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force pooling, etc?
 - Yes No If answer is "yes" type of consolidation **Carracas Unit - Unitization**
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
- The allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force pooling, or otherwise) or until a non-standard well, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature: *[Signature]*
 Printed Name: **James S. Hazen**
 Position: **Field Supt.**
 Company: **Nassau Resources, Inc.**
 Date: **8/16/89**

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 knowledge and belief.

Date Surveyed: **August 3, 1989**

Signature & Seal of Professional Surveyor:
[Signature]
EDGAR L. RISENHOWER
 NEW MEXICO
 5079
 Edgard

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

September 12, 1989

Nassau Resources, Inc.
c/o Jerome P. McHugh & Associates
P.O. Box 809
Farmington, NM 87499-0809

Attention: Fran Perrin

RECEIVED
SEP 14 1989
OIL CON. DIV.
DIST. 3

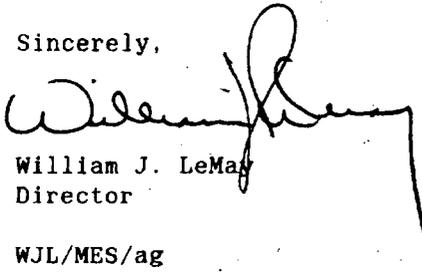
Administrative Order NSL-2694

Dear Ms. Perrin:

Reference is made to your application of August 21, 1989 for a non-standard coal gas well location for your Carracas Unit "14-A" Well No. 1 to be located 1000 feet from the North line and 680 feet from the East line (Unit A) of Section 14, Township 32 North, Range 5 West, NMPM, Basin Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico. The N/2 of said Section 14 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

REMARKS: This well replaces the Carracas Unit "14-A" Well No. 4 which was approved by Division Order No. R-8844 to be located at a more unorthodox coal gas well location 790 feet from the North and West lines (Unit D) of said Section 14.

cc: Oil Conservation Division - Aztec
New Mexico Oil & Gas Engineering Committee - Hobbs
US Bureau of Land Management - Farmington
US Forest Service - Blanco

