



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
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Division Director
Oil Conservation Division



September 28, 2011

Energen Resources Corporation
Attn: Mr. David M. Poage

Administrative Order SD-201127
Administrative Application Reference No. pTGW11-25147200

ADMINISTRATIVE SIMULTANEOUS DEDICATION ORDER

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

Subject Wells

Carracas 18B Well No. 15 (existing vertical)
API No. 30-039-24330
580 feet FSL & 1710 feet FEL
Unit O, Section 18-32N-4W
Rio Arriba County, New Mexico

Carracas 18B Well No. 1H (existing horizontal)
API No. 30-039-30483
Section 18-32N-4W
Rio Arriba County, New Mexico

Surface location

570 feet FSL & 1705 feet FEL (Unit O)

Penetration Point

1505 feet FSL & 1473 feet FEL (Unit J)

Terminus

648 feet FNL & 713 feet FEL (Unit A)

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

E/2 Section 18

320 acres

Basin Fruitland Coal Gas Pool (71629)

Reference is made to your application filed on September 8, 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 Well No. 1H is completed within both quarter sections of this 320-acre unit, division approval for simultaneous dedication is required.

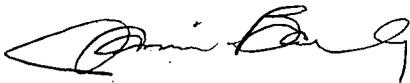
Your application has been duly filed under the provisions of Division Rules 15.11.C [19.15.15.11.C NMAC] and 4.12.A [19.15.4.12.A NMAC].

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 to offsetting owners or operators 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