

DATE <u>9.12.11</u>	SUSPENSE	ENGINEER <u>DB</u>	LOGGED <u>9.12.11</u>	TYPE <u>1125549537</u>
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PTGW
1125549537

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

EMERGEN

Carracas Unit # 13H

162928

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

201138

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 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] Working, Royalty or Overriding Royalty Interest Owners
- [B] 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 David M Poage District Landman 9/09/11
 Print or Type Name Signature Title Date



CERTIFIED MAIL-RECEIPT REQUESTED

7009 2820 0000 6910 8952

September 9, 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 South-Half of Section 11, Township 32 North, Range 5 West, N.M.P. M., Rio Arriba County, New Mexico to its existing Carracas Unit FR # 102 Well and the Carracas Unit # 13H 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 south-half of Section 11, 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 FR # 102 which was vertically drilled and is capable of production 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 FR # 102 well (API No. 30-039-24349)** vertically drilled from a surface location 1,675' FSL and 1,190' FEL of Section 11 and

B. the horizontally drilled **Carracas Unit # 13H well (API No. 30-039-30141)** which was horizontally drilled from a surface location 1,625' FSL and 1,260' FEL of Section 11 to a bottom hole location 996' FSL and 91' FWL of Section 11. The entry point was at 1,516' FSL and 1,868' FEL of Section 11.

Neither well violates the existing set back requirements for these wells.

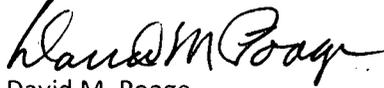
Attached hereto for each well is a copy of Division Form C-102 for these wells that show the surface and bottom hole locations of each well. In addition also enclosed is a map of the offset operators of all offsetting spacing units. Energen Resources is the operator of all offsetting spacing units and 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 South-half of said Section 11 to the Carracas Unit FR # 102 and the Carracas Unit # 13 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, with the first name "David" being the most prominent.

David M. Poage
District Landman
Energen Resources Corporation

Enclosures

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

1760A

Form C-102
Supersedes C-128
Effective 1-1-65

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

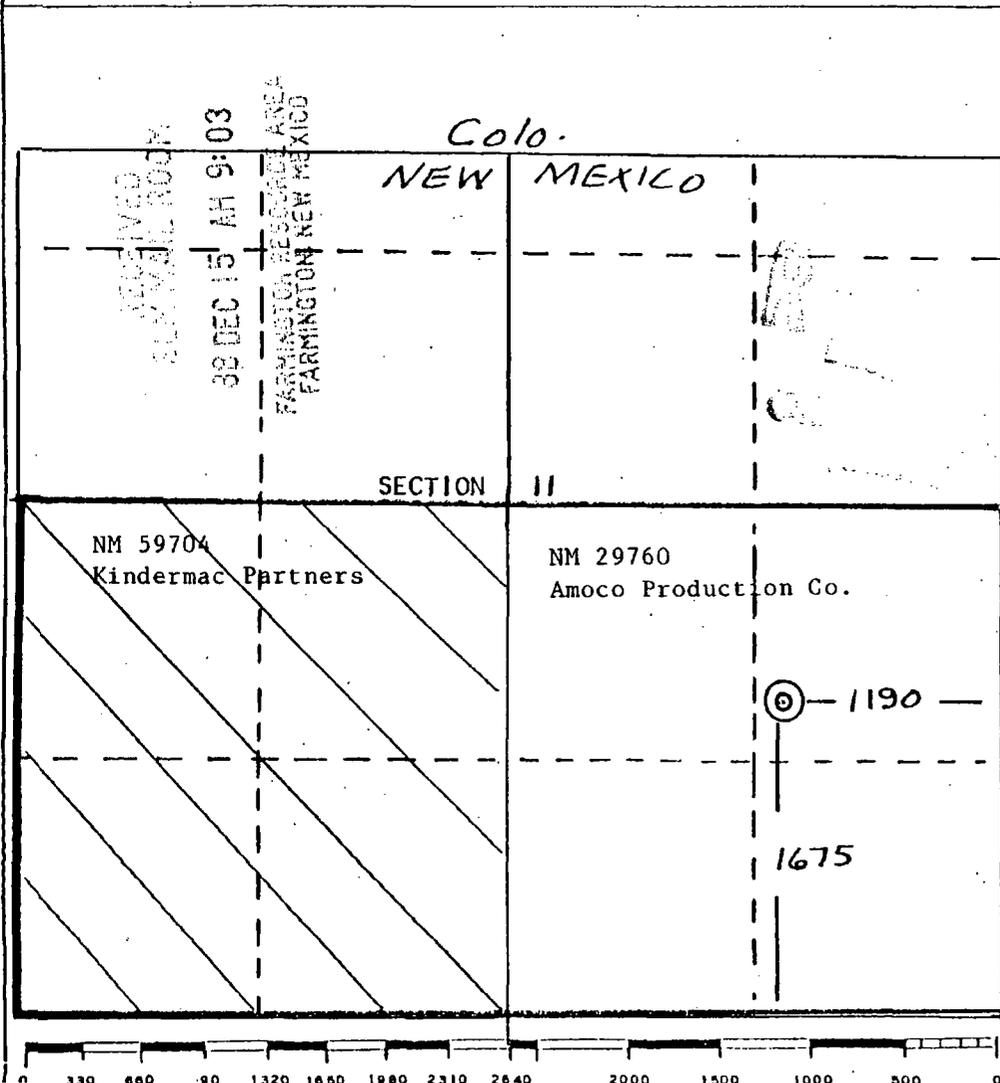
Operator Nassau Resources, Inc.		Lease Carracas Unit 11 A		Well No. 9
Unit Letter I	Section 11	Township 32 North	Range 5 West	County Rio Arriba
Actual Footage Location of Well: 1675 feet from the South line and 1190 feet from the EAST line				
Ground Level Elev. 7506	Producing Formation Fruitland	Pool Basin Fruitland	Dedicated Acreage: 2.320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 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.) _____

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 Commission.



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	12/13/88

I certify that the location shown on this plat was plotted from field notes of a survey made by me or under my supervision and that the same is true and correct to the best of my knowledge.

Date Surveyed	5-14-88
Registered Professional Engineer and/or Land Surveyor	<i>Edgar L. Risenhoover</i>
Certificate No.	5979
	Edgar L. Risenhoover, L.S.

"As Drilled"

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-102
Revised October 12, 2005

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

RECEIVED JUL 24 09
OIL CONSERVATION DIV.
DIST. 3

¹ API Number 30-039-30141		² Pool Code 71629		³ Pool Name Basin Fruitland Coal	
⁴ Property Code 37168		⁵ Property Name Carracas Unit 11A			⁶ Well Number 13
⁷ OGRID No. 162928		⁸ Operator Name Energen Resources Corporation			⁹ Elevation 7513'

¹⁰ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	11	32N	05W		1625	South	1260	East	Rio Arriba

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	11	32N	05W		996'	South	91'	West	Rio Arriba

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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7-24-08

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Vicki Donaghey</i> 07/22/08 Signature Date</p> <p>Vicki Donaghey Printed Name</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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 belief</p> <p>10/18/05 Date of Survey</p> <p>Signature and Seal of Professional Surveyer Original Survey Conducted and Recorded By: David R. Russell</p> <p>10201 Certificate Number</p>

IN P.A.

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