



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



February 28, 2012

Energen Resources Corporation
Attn: Mr. Bryan Lewis

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6563
Administrative Application Reference No. pTWG12-03056484

Energen Resources Corporation
OGRID 162928
San Juan 30-4 Unit Com. Well No. 66H
API No. 30-039

Proposed Location:

	Footages	Unit	Sec.	Township	Range	County
Surface	1205 FNL & 894 FWL	D	26	30N	4W	Rio Arriba
Penetration Point	2100 FNL & 200 FEL	H	27	30N	4W	Rio Arriba
Terminus	2100 FNL & 200 FWL	E	27	30N	4W	Rio Arriba

Proposed Project Area:

Description	Acres	Pool	Pool Code
N/2 of Section 27	320	East Blanco Pictured Cliifs Gas	72400

Reference is made to your application received on December 30, 2011.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 15.16.14.B(2) [19.15.16.14.B(2) NMAC] concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are less than 330 feet from an outer boundary of the project area.

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
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Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location in order to maximize the productive length of the wellbore lateral in the target formation.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Aztec
United States Bureau of Land Management