

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication
 X NSL NSP SD Amendment to NSL-7231
 Check One Only for [B] or [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
 [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
 [A] 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] X 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

NSL
- ENERGEN RESOURCES CORPORATION
162928
WLL
Chaco Sica Milla #6024
30-04-21234
PO #
Lindnith Gallup -
PAKUTE-WASA
39189

2015 AUG - 3 P. 3:36
 RECEIVED OOD

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

J. Scott Hall		Attorney for Applicant	8/3/2015
Print or Type Name	Signature	Title	Date
		shall@montand.com	
		e-mail Address	



**MONTGOMERY
& ANDREWS**
LAW FIRM

J. Scott Hall

Office: (505) 982-3873
Email: shall@montand.com
Reply To: Santa Fe Office
www.montand.com

August 8, 2015

Hand Delivered

Mr. David Catanach, Director
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

**Re: Energen Resources Corporation
Request for Amendment to Administrative Order NSL-723
Unorthodox Well Location
West Lindrith Gallup-Dakota Oil Pool (39189)**

**Chacon Jicarilla Well No. 602-H (Horizontal)
API No. 30-043-21234
S/2 Section 22, T23N, R3W (Project Area)
Sandoval County, New Mexico**

**Original Location: 861' FSL and 802' FWL (M), Section 23 (Surface)
790' FSL and 200' FWL (M), Section 22 (Bottom Hole)
Completed Interval: 790' FSL and 200' FEL (entry point) to
790' FSL and 200' FWL, Section 22**

**Amended Location: 892' FSL and 775' FWL (M), Section 23 (Surface)
450' FSL and 200' FWL (M), Section 22 (Bottom Hole)
Completed Interval: 450' FSL and 200' FEL (entry point) to
450' FSL and 200' FWL, Section 22**

Dear Mr. Catanach:

On behalf of Energen Resources Corporation ("Energen") and pursuant to Division Rule 19.15.15.13 and the applicable rules governing the acreage and well location requirements for the West Lindrith Gallup-Dakota Oil Pool (39189; Order No. R-4314-A), we request administrative approval for an amendment to the unorthodox well location for the Chacon Jicarilla Well No. 602-H to be drilled at the surface and bottom hole locations indicated above in a standard 320 acre horizontal well oil spacing and proration unit comprised of the S/2 of Section 22, Township 23 North,

325 Paseo de Peralta
Santa Fe, New Mexico 87501

T: 505.982.3873
F: 505.982.4289

P.O. Box 2307
Santa Fe, New Mexico 87504-2307

Mr. David Catanach, Director
August 3, 2015
Page 2

Range 3 West, NMPM, Sandoval County. The unorthodox location was originally approved on February 25, 2015 by Administrative Order NSL-7231 (copy enclosed as Exhibit A). Energen now proposes to drill the well at the Amended Location indicated above.

The applicable well location rules are those set out in Order No. R-4214-A for the West Lindrith Gallup-Dakota Oil Pool with 160 acre spacing units to be comprised of a quarter section with well locations at least 330' from the outer boundary of the proration unit and no nearer than 660' to a well drilling or capable of producing from the same pool. By Order NSL-7231, the Division approved encroachments on the eastern and western boundaries of the spacing unit with 200' setbacks. The entry point, completed interval and terminus for the amended location will remain within the 200' setbacks. Relocating the lateral from 790' FSL to 450' FSL is also within the 330' setback established under the pool rules.

The C-102 plat showing the S/2 Project Area comprised of two standard 160 acre proration units and the proposed amended location for the Chacon Jicarilla Well No. 602-H is attached as Exhibit B.

In accordance with Division Rules 19.15.4.12 A(2) notification is being provided to those offset interest owners or operators in adjoining spacing units reflected on Exhibit C. Energen Resources Corporation owns and operates the adjoining units in the S/2 N/2 of Section 22, the SE/4 SE/4 of Section 21 and the N/2 N/2 of Section 27 under a single BIA lease. The SW/4 SW/4 of Section 23 is a separate Jicarilla Nation lease, also 100% owned and operated by Energen. The Bureau of Indian Affairs, Jicarilla Nation Oil and Gas Administration and the Bureau of Land Management are being notified of this application.

The Division's Administrative Application Checklist is enclosed.

Thank you for your consideration of this request. Should more information be required, please do not hesitate to contact me.

Very truly yours,



J. Scott Hall

JSH:bjw
Enclosures
cc: Bryan Lewis, Energen Resources Corporation

CONFIDENTIAL
TIGHT HOLE

RECEIVED

2015 2 23

DISTRICT I
1628 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 393-8101 Fax: (575) 393-0720

DISTRICT II
511 S. First St., Artesia, N.M. 88210
Phone: (575) 748-1203 Fax: (575) 748-0789

DISTRICT III
1000 Rio Brazos Rd., Artesia, N.M. 87410
Phone: (505) 334-6178 Fax: (505) 334-6178

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

Farmington, NM Form C-102
Revised August 1, 2011
Bureau of Land Management
Submit one copy to appropriate District Office

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-043-21234		*Pool Code 39189	*Pool Name WEST LENDRITH GALLUP DAKOTA..
*Property Code 313467	*Property Name CHACON JICARILLA		*Well Number 602H
*OGRID No. 162928	*Operator Name ENERGEN RESOURCES CORPORATION		*Elevation 7457'

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
M	23	23N	3W		892'	SOUTH	775'	WEST	SANDOVAL

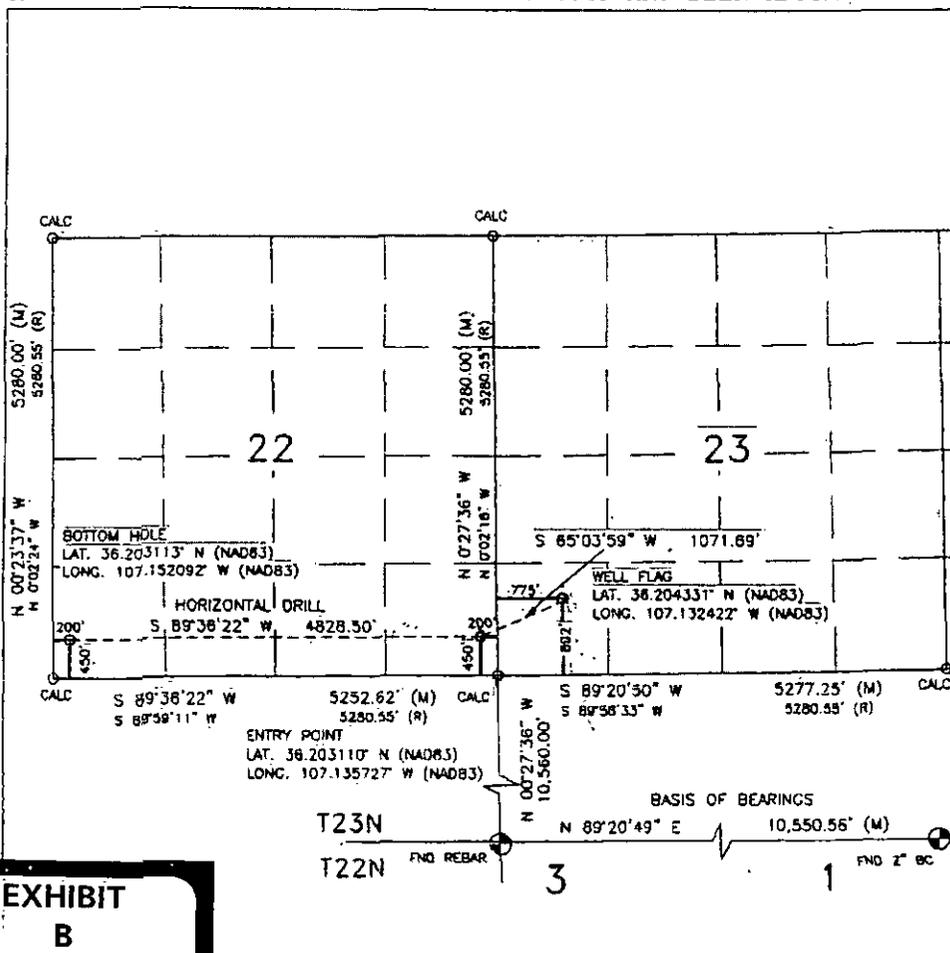
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	22	23N	3W		450'	SOUTH	200'	WEST	SANDOVAL

*Dedicated Acres PROJECT AREA	*Joint or Infill	*Consolidation Code	*Order No.
----------------------------------	------------------	---------------------	------------

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

18



17 OPERATOR CERTIFICATION

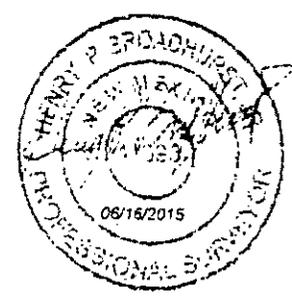
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this 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.

Anna Stotts 6/19/15
Signature Date
Anna Stotts
Printed Name
astotts@energen.com
E-mail Address

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 belief.
JUNE 12, 2015

Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number 11393

EXHIBIT
B



**MONTGOMERY
& ANDREWS**
LAW FIRM

J. Scott Hall

Office: (505) 982-3873
Email: shall@montand.com
Reply To: Santa Fe Office
www.montand.com

August 3, 2015

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: All Interest Owners on Attached Page

**Re: Energen Resources Corporation
Request for Amendment to Administrative Order NSL-723
Unorthodox Well Location
West Lindrith Gallup-Dakota Oil Pool (39189)**

**Chacon Jicarilla Well No. 602-H (Horizontal)
API No. 30-043-21234
S/2 Section 22, T23N, R3W (Project Area)
Sandoval County, New Mexico**

**Original Location: 861' FSL and 802' FWL (M), Section 23 (Surface)
790' FSL and 200' FWL (M), Section 22 (Bottom Hole)
Completed Interval: 790' FSL and 200' FEL (entry point) to
790' FSL and 200' FWL, Section 22**

**Amended Location: 892' FSL and 775' FWL (M), Section 23 (Surface)
450' FSL and 200' FWL (M), Section 22 (Bottom Hole)
Completed Interval: 450' FSL and 200' FEL (entry point) to
450' FSL and 200' FWL, Section 22**

Dear Sir or Madam:

Pursuant to New Mexico Oil Conservation Division (NMOCD) Rule 19.15.15.13 and the rules and regulations for the West Lindrith Gallup-Dakota Oil Pool, you are hereby notified that Energen Resources Corporation has on this date made application to the NMOCD for administrative approval for an amendment to a previously approved unorthodox well location for its Chacon Jicarilla Well No. 602-H to be drilled at the location reflected above. A copy of the application is enclosed.

325 Paseo de Peralta
Santa Fe, New Mexico 87501

T: 505.982.3873
F: 505.982.4289

P.O. Box 2307
Santa Fe, New Mexico 87504-2307

All Interest Owners
August 3, 2015
Page 2

As the owner of an interest that may be affected, you have the right to object to the application. To do so, you must file a written protest with the NMOCD within twenty days. Failure to do so will prevent you from challenging the matter at a later time. A letter of protest may be sent to the NMOCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505.

Should you consent to the application and the proposed non-standard spacing unit and unorthodox well location, you are requested to indicate your waiver of objection by signing where indicated below and then returning this letter to me at your earliest convenience.

Sincerely,

MONTGOMERY & ANDREWS, P.A.

A handwritten signature in black ink, appearing to read "J. Scott Hall", written in a cursive style.

J. Scott Hall

JSH:bjw
Enclosures

All Interest Owners
August 3, 2015
Page 3

CONSENT:

By: _____

ALL INTEREST OWNERS

Bureau of Land Management
3251 College Boulevard
Farmington, NM 87402

Jicarilla Apache Oil and Gas
Administration
Post Office Box 507
Dulce, NM 87528

Bureau of Indian Affairs
304 North Auburn Avenue
Farmington, NM 401

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

David R. Catanach, Division Director
Oil Conservation Division



February 25, 2015

Energen Resources Corporation
Attn: Mr. Scott Hall

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7231
Administrative Application Reference No. pMAM1504348855

Energen Resources Corporation
OGRID 162928
Chaco Jicarilla Well No. 602H
API No. 30-043-21234

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	861` FSL & 802` FWL	M	23	23N	3W	Sandoval
Penetration Point	790` FSL & 200` FEL	P	22	23N	3W	Sandoval
Terminus	790` FSL & 200` FWL	M	22	23N	3W	Sandoval

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 of Section 22	320	Lindrith Gallup-Dakota, West	39189

Reference is made to your application received on February 12, 2015.

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 the Special Rules for the Lindrith Gallup-Dakota, West Pool, which provides for 160-acre units, with wells located at least 330 feet from the unit outer boundary, and Rule 19.15.16.14.B(2) NMAC concerning directional wells in designated project areas. This surface location is outside the project area, and is permitted by Rule 19.15.16.15.B (4) NMAC which allows for surface locations outside project area. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

February 25, 2015

Page 2

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC, 19.15.4.12.A(2) NMAC, and 19.15.4.12.A(9) NMAC.

It is our understanding that you are seeking this location because the operator has established that horizontal oil wells with maximum length will be necessary to efficiently recover all the reserves in the unit.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, 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 19.15.5.9 NMAC.

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

Done at Santa Fe, New Mexico, on February 25, 2015.

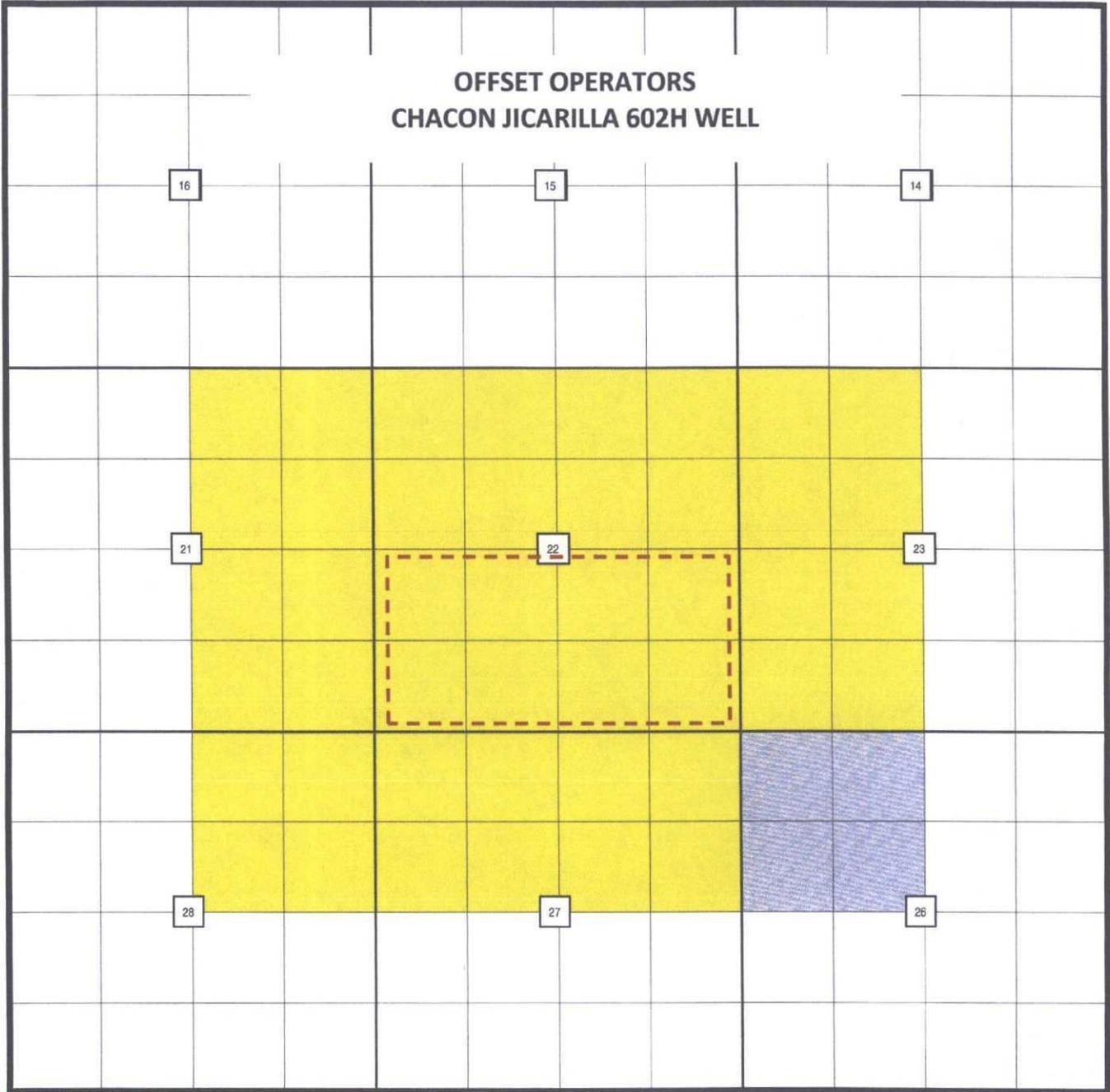


DAVID R. CATANACH
Director

DRC/mam

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

OFFSET OPERATORS
CHACON JICARILLA 602H WELL



ENERGED OPERATED GP

RODDY PRODUCTION OPERATED GP

McMillan, Michael, EMNRD

From: J. Scott Hall <SHall@montand.com>
Sent: Wednesday, August 05, 2015 8:35 AM
To: McMillan, Michael, EMNRD
Subject: RE: Energen Chacon Jicarilla 602H

Michael, yes. The same reason applies. Also, the entire lateral was moved south in order to accommodate an additional lateral in the spacing unit.

Scott

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent: Tuesday, August 04, 2015 4:42 PM
To: J. Scott Hall
Subject: RE: Energen Chacon Jicarilla 602H

The last thing I need is a reason-is it the same as the original application?
Mike

From: J. Scott Hall [mailto:SHall@montand.com]
Sent: Tuesday, August 04, 2015 4:25 PM
To: McMillan, Michael, EMNRD
Subject: Energen Chacon Jicarilla 602H

Here's the plat.

J. Scott Hall
Montgomery & Andrews, P.A.
P. O. Box 2307
Santa Fe, NM 87504-2307
shall@montand.com
(505) 986-2646



THIS MESSAGE CONTAINS INFORMATION WHICH MAY BE CONFIDENTIAL AND PRIVILEGED. UNLESS YOU ARE THE ADDRESSEE (OR AUTHORIZED TO RECEIVE FOR THE ADDRESSEE), YOU MAY NOT USE, COPY OR DISCLOSE TO ANYONE THE MESSAGE OR ANY INFORMATION CONTAINED IN THE MESSAGE. IF YOU HAVE RECEIVED THIS MESSAGE IN ERROR, PLEASE ADVISE THE SENDER BY REPLY E-MAIL TO shall@montand.com AND DELETE THE MESSAGE. THANK YOU.