



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

August 10, 1999

Energen Resources Corporation
2198 Bloomfield Highway
Farmington, New Mexico 87401
Attention: Richard Corcoran

*API No.
30-039-26196*

Administrative Order NSL-4341

Dear Mr. Corcoran:

Reference is made to your application dated July 20, 1999 for Energen Resources Corporation to drill its proposed Carson Well No. 7 at an unorthodox Pictured Cliffs gas well location 2315 feet from the South line and 1000 feet from the West line (Unit L) of Section 27, Township 30 North, Range 4 West, NMPM, Rio Arriba County, New Mexico. The SW/4 equivalent of Section 27 is to be dedicated to the well in order to form a standard 160-acre, more or less, gas spacing and proration unit for the East Blanco-Pictured Cliffs Pool.

This application has been duly filed under the provisions of New Mexico Oil Conservation Division ("Division") Rule 104.F.

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

Lori Wrotenberg, DAC

Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
U. S. Forest Service - Bloomfield