

DATE 1/26/06	SUSPENSE	ENGINEER MIKE	LOGGED 1/30/06	TYPE NSL
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App. No. pTDS 06 03 040715

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

Jicarilla 117E #9B

ADMINISTRATIVE APPLICATION COVERSHEET

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

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

2006 JUN 26 PM 4:12

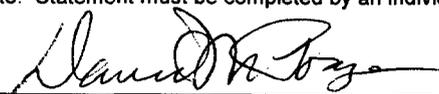
[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [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		District Landman	1/17/06
Print or Type Name	Signature	Title	Date

January 17, 2006

New Mexico Oil Conservation Division
Attn: Mr. Michael E. Stogner
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Administrative Approval of Unorthodox Location
Jicarilla 117 E #9B
2515' FNL and 565' FWL
Section 33-T26N-R3W
Rio Arriba County, New Mexico

30-039-29295

2-14-2006

2:30 PM

David Poage
called to check
on the status of
this application
and request an
expedited order.

Dear Mr. Stogner:

Energen Resources Corporation (Energen) hereby requests Administrative Approval for an Unorthodox Location of its Jicarilla 117E #9B Mesaverde Well under the provisions of New Mexico Oil Conservation Division (NMOCD) set back provisions.

This well is located 2515' FNL and 565' FWL of Section 33-T26N-R3W, Rio Arriba County, New Mexico and is dedicated to a spacing unit consisting of the W/2 of Section 33, in the Blanco Mesaverde gas pools.

This well is located closer than 660' from the western proration unit boundary by 95'. This is due to the location being moved westward by the Jicarilla Apache Tribe in order to remove it from a ridge and not to impact wildlife. Please refer to the attached letter dated March 16, 2004 from the Jicarilla Apache Tribe. A standard location is not available for this reason.

A copy of this application is being sent to all affected owners by certified mail-return receipt requested with a request that they furnish your office in Santa Fe a Waiver of Objection within twenty (20) days of receipt of this application.

Attached is a well location plat showing dedicated acreage (C102), a plat showing the offsetting spacing unit and a topographic map.

Your favorable consideration of this request would be appreciated.

Sincerely,



David M. Poage
District Landman

Enclosures

**LIST OF AFFECTED OWNERS
JICARILLA 117E #9B
W/2 33-T26N-R3W
MESAVERDE
RIO ARRIBA COUNTY, NEW MEXICO**

ConocoPhillips Company

29 ConocoPhillips		28 Energen Resources Corp.	
32	ConocoPhillips	33 Jicarilla 117 #9B	Energen Resources Corp.
Energen Resources Corp. 5		Energen Resources Corp. 4	

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

District II
PO Drawer DD, Artesia, NM 88211-0719

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

District III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

AMENDED REPORT

District IV
PO Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 72319		*Pool Name BLANCO MESAVERDE	
*Property Code		*Property Name JICARILLA 117E			*Well Number 9B
*UGRID No. 162928		*Operator Name ENERGEN RESOURCES CORPORATION			*Elevation 7360'

¹⁰ Surface Location

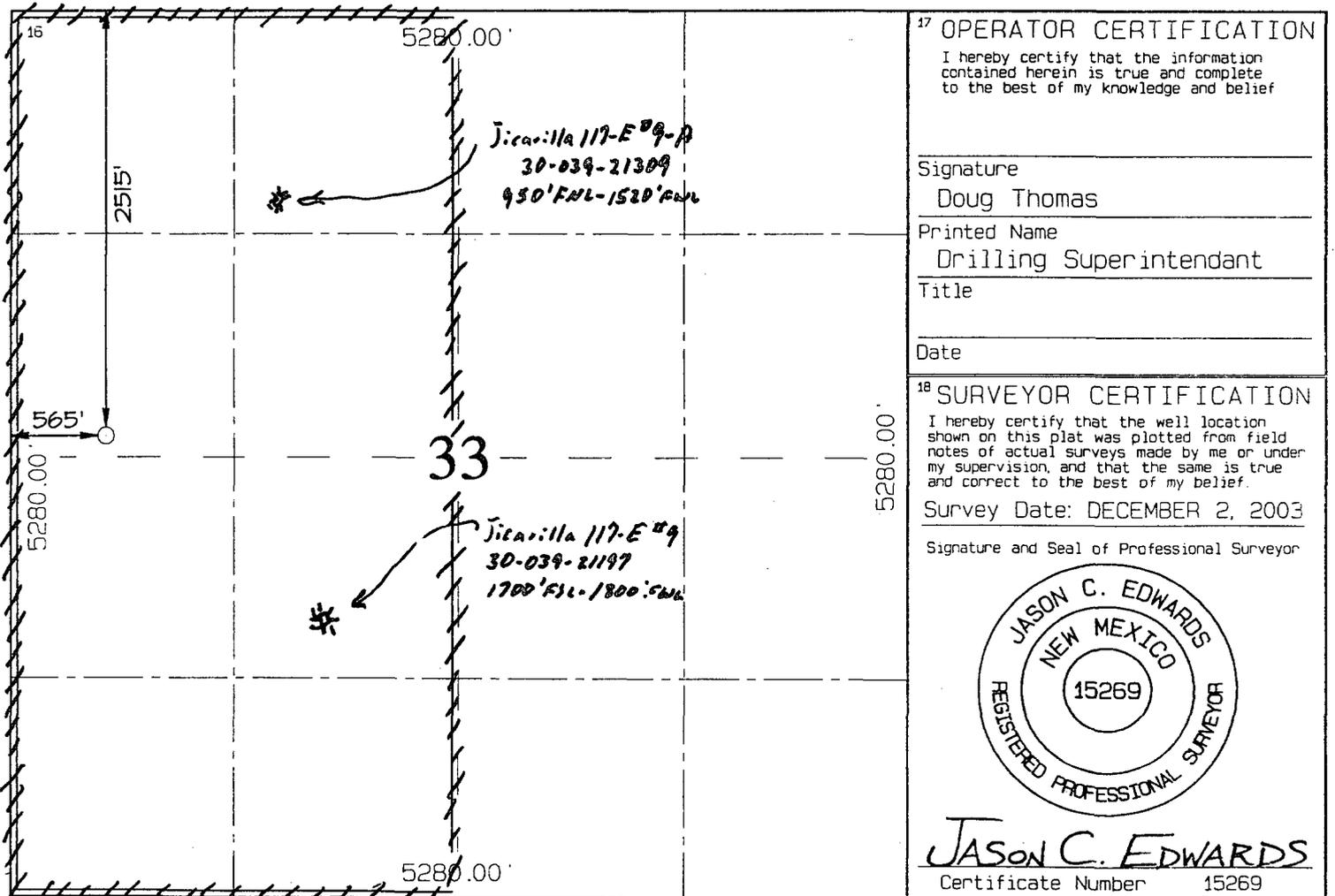
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	33	26N	3W		2515	NORTH	565	WEST	RIO ARRIBA

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

¹² Dedicated Acres 320.0 Acres - (W/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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



¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature
Doug Thomas

Printed Name
Drilling Superintendant

Title

Date

¹⁸ 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.

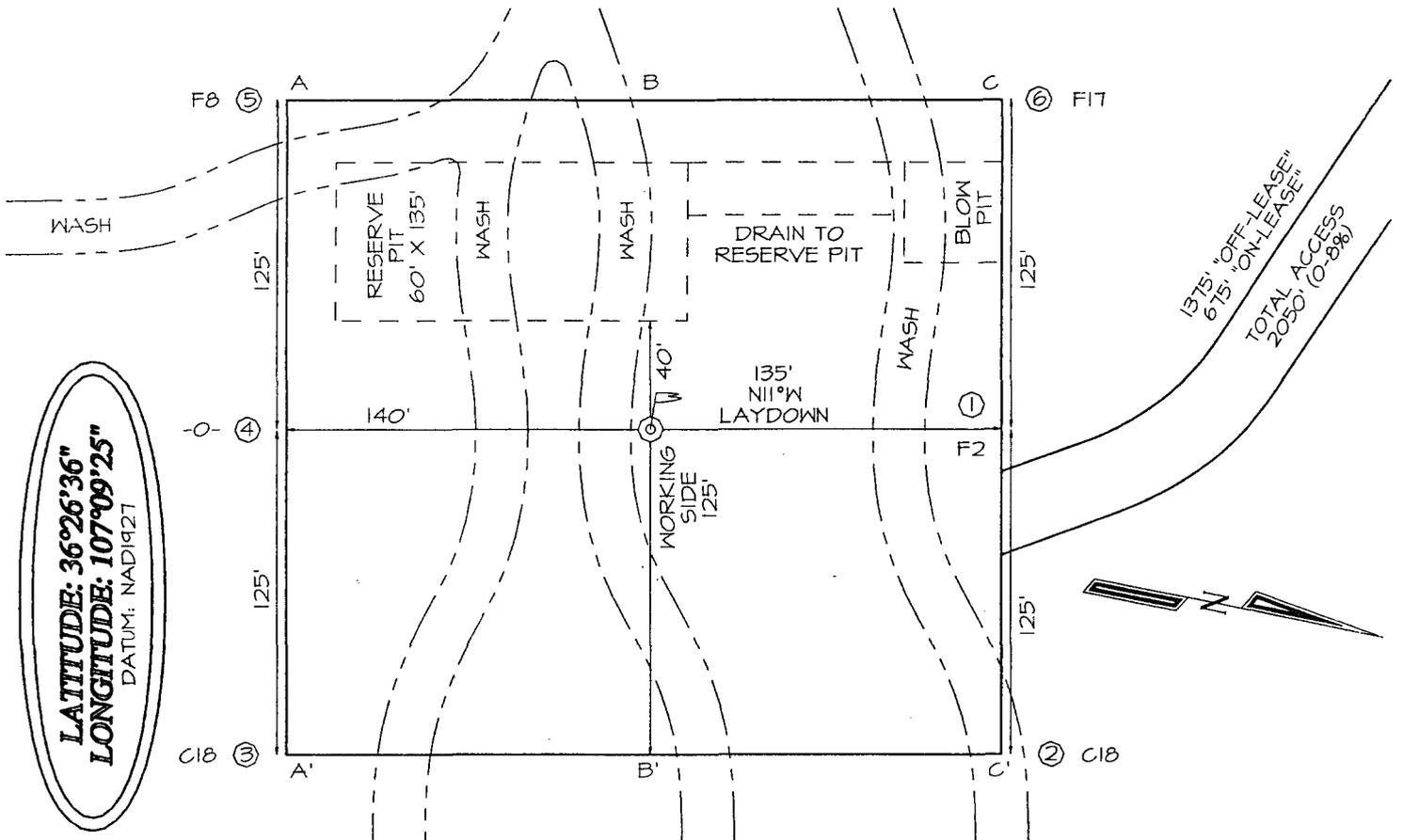
Survey Date: DECEMBER 2, 2003

Signature and Seal of Professional Surveyor

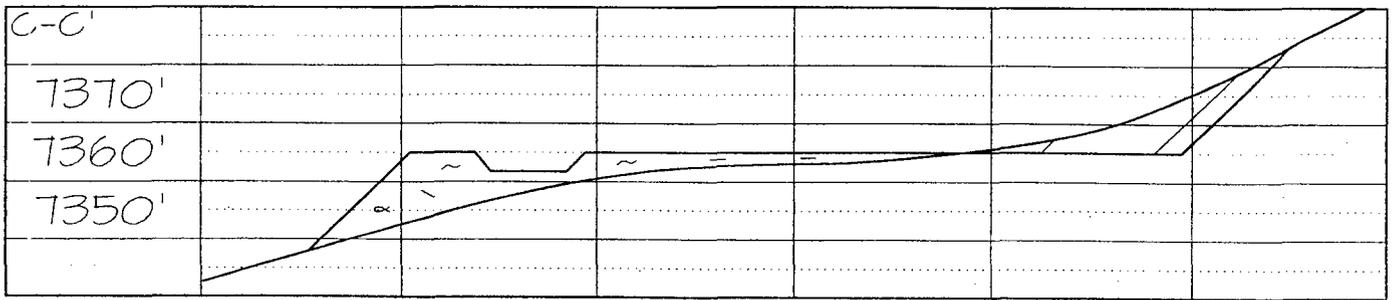
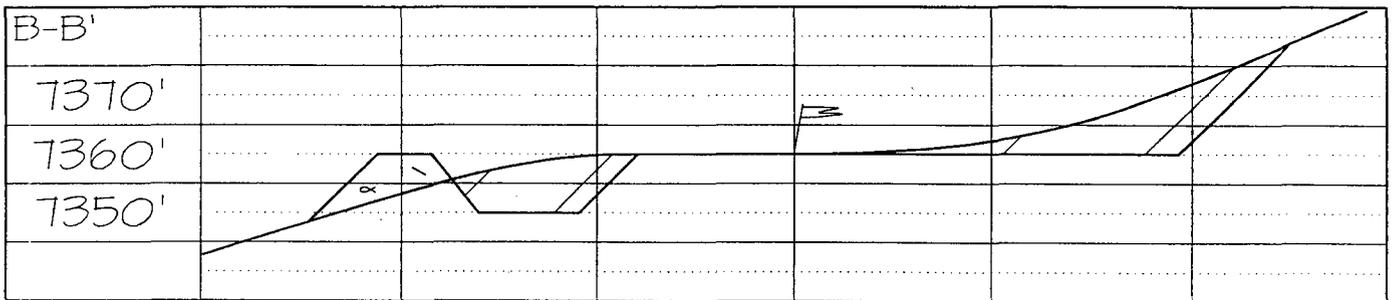
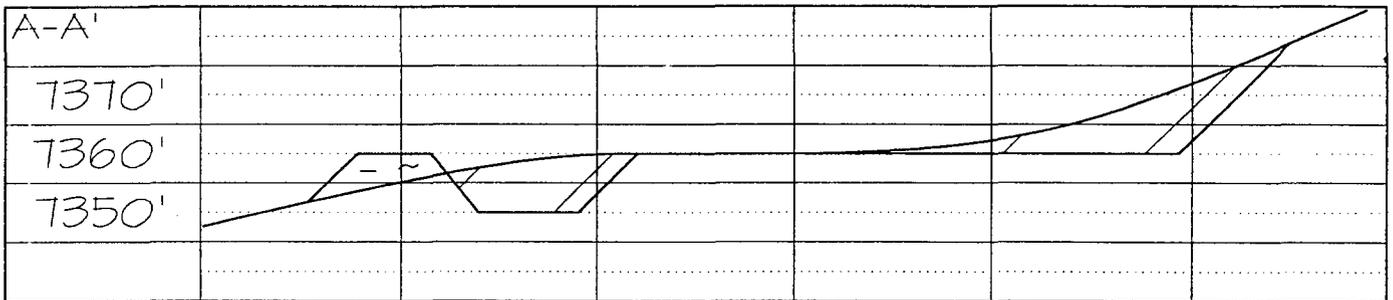
JASON C. EDWARDS
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
15269

JASON C. EDWARDS
Certificate Number 15269

ENERGEN RESOURCES CORPORATION JICARILLA 117B #9B
2515' FNL & 565' FWL, SECTION 33, T26N, R3W, NMPM
RIO ARRIBA COUNTY, NEW MEXICO GROUND ELEVATION: 7360'



LATITUDE: 36°26'36"
LONGITUDE: 107°09'25"
 DATUM: NAD1927





OIL & GAS ADMINISTRATION

JICARILLA APACHE NATION

P.O. Box 507

Dulce, New Mexico 87528

(505) 759-3485 / 759-1823

FAX: (505) 759-3881

March 16, 2004

Bureau of Indian Affairs-Jicarilla Agency
Attention: Sherryl Vigil, Realty Officer
P.O. Box 167
Dulce, New Mexico 87528

Dear Ms. Vigil:

This letter is in response to an On-Site conducted for Energen Resources Corporation, on September 17, 2003. This includes comments made by the participants for mitigation of the requests for an Application for Permit to Drill. Included as part of the On-Sites were requests for approval of pipeline right-of-way. Present for the On-Site were:

Dixon Sandoval, EPO	Doug Thomas, Energen Resources
Wink Meador, Aztec Excavation Co.	Elliott Ryan, NCE Survey
Chuck Williams, Jicarilla Oil and Gas	John DeBoer, Velarde Energy Services
Thurman Velarde, Patriot	Ronald Busby, Patriot
Ronnie McDaniel, B & E	Brent Beaty, Rosenbaum
Craig Schmitz, Schmitz Construction	Hobson Sandoval, EPO
Louis Paul Chavez, Williams	Nathan Kirker, Adkins Consulting
Maria Adkins, Adkins Consulting	Merldine Eloté, Jicarilla Oil and Gas
Doug Treadway, BIA Natural Resources	Adelaide Paiz, Historical Preservation Office
Jake Vigil, Department of Agriculture	Adam Baltazar, BIA Forestry
Gifford Velarde, Velarde Energy Services	Annette Torivio, Realty-BIA
Fred P. Vigil, Acting Director, OGA	

Not present at the On-Site, BIA Realty Office and BLM.

A total of eight (8) well sites and connecting pipelines were submitted for review; we were unable to get to the eighth (8th) well during the course of the day. The proposed wells and pipeline are as follows:

1. **Jicarilla 98-2C** Section 19, Township 26 North, Range 3 West
2. **Jicarilla 98-4R** Section 19, Township 26 North, Range 3 West
3. **Jicarilla 117E #9B** Section 33, Township 26 North, Range 3 West

• *Development For Prosperity* •

4. **Jicarilla 117E #3B** Section 34, Township 26 North, Range 3 West
5. **Jicarilla 98 3C** Section 20, Township 26 North, Range 3 West
6. **Jicarilla 94 5C** Section 23, Township 27 North, Range 3 West
7. **Jicarilla 95 5C** Section 25, Township 27 North, Range 3 West

General stipulations to include:

1. Line reserve pit with a 15 Mil liner.
2. Enclose Reserve Pit and Flare Pit with a proper fence.
3. The locations will require that the topsoil be stockpiled for re-contouring and restoring the surface after the reserve pit is closed.
4. Production equipment will be painted dark green to minimize visual impact.
5. Reseed with a suitable southwest mix, containing native species as well as quick growing grass varieties-contact the Game and Fish, Tom Watts for a suitable recommendation.
6. Construct Blow Pit to minimize overflow spray, i.e., higher walls.
7. Wood shall be cut and taken to the Tribal Services in Dulce.

The locations reviewed Primary plants include native grasses, sagebrush, Juniper and Pinyon stands, to oak brush, Mountain Mahogany, and Ponderosa Pine. Individual comments for the wells reviewed:

Jicarilla 98-2C The proposed well is adjacent to State Highway 537, in sandy soil, with sagebrush, native grasses. There is a drainage on the south side of the proposed location, and it is recommended that a berm be put in place on the south side of the location. This wash is evident on the NCE survey enclosed. A pond is proposed in a southwest direction to minimize erosion to the well site. A cattleguard is recommended for installation, and Doug Thomas has indicated that if traffic is being attracted to the site, an additional gate may be required to deter public use of the location for parking, littering, or other undesirable events. No pipeline plats were provided for this well site.

Jicarilla 98-4R The proposed well is located on primarily sandstone adjacent to an existing road, in Pinyon and juniper surroundings. The well is acceptable for development and poses minimal impact. No pipeline plats were provided for this well site.

Jicarilla 117E #9B The site is **unacceptable** as the proposed well site is on a ridge in an area, which will impact wildlife. The recommendation is to move the location westward from the proposed site into an area where the well pipeline tie-in would also prove less damaging. There is an existing well in the proximity to make the proper tie-ins.

Jicarilla 117E #3B The well is situated on an East-facing slope containing excessive Pinyon and juniper growth. The access road crosses a low area which the On-Site participants propose building a pond to minimize the water accumulation, which will result from trucks crossing the sagebrush flats. Two culverts, twenty-four inches in diameter will be placed on the constructed berm, which will serve double duty as a part of the access road and part of the pond created for containing water. Pipeline length is 1254.0'.

Jicarilla 98 3C The well site is situated in Pinyon and Juniper stands, sandy loamy soil. The location should be rounded at C' adjacent to the road to accommodate the road right of way. Install an eighteen-inch (18") culvert on the access adjacent to the road. No pipeline plats were provided for this well site.

Jicarilla 94 5C This well site is to be moved north approximately 150 feet and the on-site reviewed at a future date.

Jicarilla 95 5C The well site is on a north facing slope, pine trees, oak, pinyon/juniper, sandy/loamy soil. The access is on an existing pipeline. Mitigation will include the placement of two water bars above the tie-in and on the road below to remove water from the access road. The road is currently partially washed out. Pipeline tie-in is 646.1'.

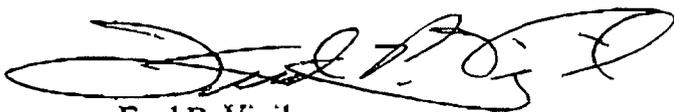
The Oil and Gas Administration hereby recommends approval of Jicarilla 98-2C, Jicarilla 98-4R, Jicarilla 117E #3B, Jicarilla 98 3C, Jicarilla 95 5C, accompanying pipeline where pipeline plats are provided, with mitigation and stipulations proposed.

Issues which the Oil and Gas Administration would like for the Bureau of Land Management Engineering to consider is the impact of surface casing and consider the impact of water sources in areas of the Jicarilla Apache Reservation. A recommendation from the interdisciplinary group comprised of the Jicarilla Apache Departments participating in the On-Site process recommended increasing surface casing to 500'. The Oil and Gas would like a response from the Bureau of Land Management, in regards to impacts of water in the Lindrith area; as we may be placing the Jicarilla Apache Nation in a situation of liability in regards to our oil and gas drilling.

The participants to the On-Site further recommend that damages not be assessed to ponds created to mitigate impacts to wildlife, to minimize impact due to erosion, or to improve access to a wellsite. Damage fees to other right-of-ways will continue to be assessed at a rate, which will be addressed in a separate letter.

Our approval took into consideration our obligations to the Jicarilla Apache Nation to promote prudent development of the Nations' Oil and Gas reserves. If you have any questions please call me at 759-3485, extension 30.

Sincerely,



Fred P. Vigil
Administrator

XC: Enclosures
Mr. Joe Muniz, Executive Director-Natural Resources

January 17, 2006

CERTIFIED MAIL
7004 2890 0002 7612 7375

ConocoPhillips Company
Attn: Land Department
5525 Highway 64
Farmington, NM 87401

30-039-29295

RE: Administrative Approval of Unorthodox Location
Jicarilla 117 E #9B
2515' FNL and 565' FWL
Section 33- T26N, R3W
Rio Arriba County., New Mexico

Dear Interest Owner:

Energen Resources Corporation has filed with the New Mexico Oil Conservation Division (NMOCD), an application for the Administrative Approval of an Unorthodox location for its Jicarilla 117 # #9B well. A copy of the application has been attached for your review.

If you have no objection to this unorthodox location, please sign the three copies of the attached waiver and within twenty (20) days of the receipt of this letter, return one (1) executed copy to the NMOCD at 1220 South Francis Drive, Santa Fe, New Mexico 87505, one (1) copy to our office and retain one (1) copy for your files.

Your cooperation in this matter is appreciated.

Sincerely,


David M. Poage
District Landman

WAIVER

_____ hereby waives objection to the above referenced Application for Unorthodox Location for Energen Resources Corporation's Jicarilla 117 E #9B well.

Date: _____ By: _____
cc: OCD-Aztec office, BLM-Farmington office, Offset operators



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0136
Expires January 31, 2004

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. Jicarilla Contract 117
6. If Indian, Allottee or Tribe Name Jicarilla Apache
7. Unit or CA Agreement Name and No.
8. Lease Name and Well No. Jicarilla 117E 9B
9. API Well No. 30-039-29295
10. Field and Pool, or Exploratory Blanco Mesaverde
11. Sec., T., R., M., or Blk. and Survey or Area E - Sec.33, T26N, R03W - NMPM
12. County or Parish Rio Arriba
13. State NM

1a. Type of Work DRILL REENTER 04 JUN 30 AM 10:12

1b. Type of Well Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator:
Energex Resources Corporation

3a. Address
2198 Bloomfield Highway, Farmington, NM 87401

3b. Phone No. (include area code)
505-325-6800

4. Location of Well (Report location clearly and in accordance with any State requirements)*

At surface 2515' FNL, 565' FWL

At proposed prod. zone

14. Distance in miles and direction from nearest town or post office*
9 miles northwest of Lindrith, NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 565'	16. No. of Acres in lease 2560.00	17. Spacing Unit dedicated to this well 320 W 1/2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1200'	19. Proposed Depth 6547'	20. BLM/BIA Bond No. on file
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7360' GL	22. Approximate date work will start* December 2004	23. Estimated duration 12 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>Doug Thomas</i>	Name (Printed/Typed) Doug Thomas	Date 06/29/04
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Title
Drilling Superintendent

Approved by (Signature) <i>D. Mankiewicz</i>	Name (Printed/Typed) AFM	Date 1/10/06
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Title
AFM

Office
PFO

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on Reverse)



HOLD C104 FOR NSL

NMOCDD

AFMSS
Adjud <i>OMA</i>
Engr
Geol
Surf
Appd