

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
ENERGEN RESOURCES CORPORATION - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505
PHILLIPS #3F



ENERGEN RESOURCES
 CORP
 PHILLIPS # 3F

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
 NSL NSP SD
- 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] 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

2008 OCT 9 AM 8 35
 RECEIVED

[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.

<u>David M. Poage</u> Print or Type Name	 Signature	<u>District Landman</u> Title	<u>10/1/2008</u> Date
		<u>david.poage@energen.com</u> e-mail Address	

October 1, 2008

New Mexico Oil Conservation Division
Attn: Mr. David Brooks
1220 South St. Francis Drive.
Santa Fe, NM 87505

RE: Administrative Approval of Unorthodox Location
Phillips # 3F Well
Surface Location: 425' FSL, 1640' FEL (Unit O)
Formation Entry Point: 1780' FSL, 2182' FWL
Bottom Hole Location: 1616' FNL, 689' FWL
Section 32, T28N, R8W (W/2)
San Juan County, New Mexico

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Dear Mr. Brooks:

Energen Resources Corporation (Energen) hereby requests Administrative Approval for an Unorthodox Location of its Phillips # 3F Dakota formation well under the provisions of New Mexico Oil Conservation Division Basin Dakota Pool rules.

This well is located 425' FSL & 1640' FEL of Section 32-T28N-R8W, San Juan County, New Mexico and is dedicated to a spacing unit consisting of the W/2 of Section 32, in the Basin Dakota gas pool.

This well is located closer than 660' from the eastern proration unit boundary by 202'. This well was directionally drilled and due to hole problems the 7" casing was set short of the legal window. In order to isolate the short section of lateral outside the legal window two packers were set at 7995' to 8015' MD. Inside the 7" casing ERC set a permanent packer at 7,222' MD. This packer was tested to 1,500 psi to verify its holding.

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 spreadsheet showing the offsetting spacing unit operators with Dakota formation wells, and a map showing the well bore, Dakota entry point and bottom hole location.

Your favorable consideration of this request would be appreciated.

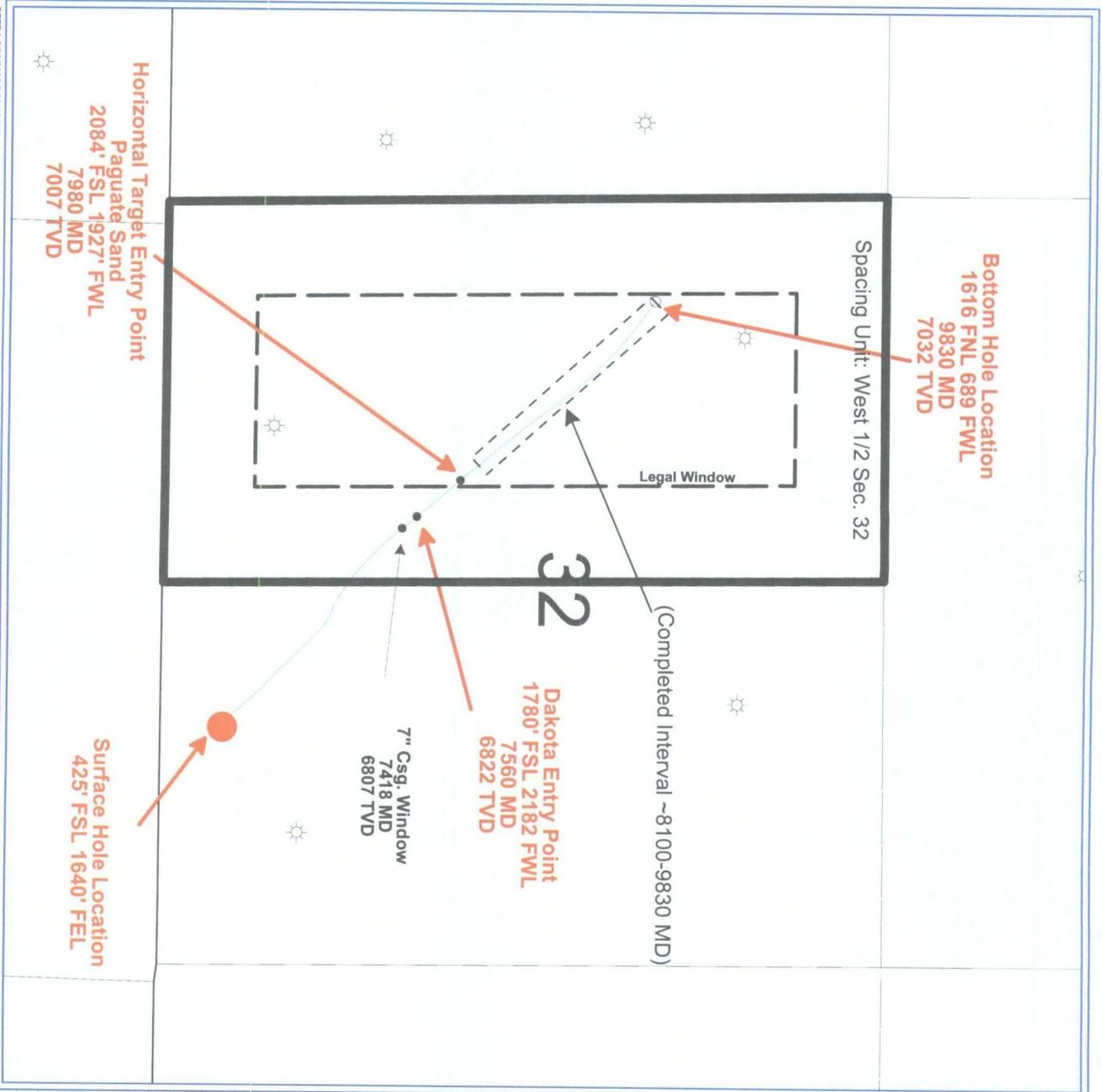
Sincerely,



David M. Poage
District Landman

OFFSET OPERATORS
PHILLIPS # 3F WELL
W/2 SEC. 32-T28N-R8W
SAN JUAN COUNTY, NEW MEXICO

<u>Operator</u>	<u>Well Name</u>	<u>Spacing Unit</u>
BP America Production Co.	Bolack # 1, 1M	S/2 Sec. 29-28N-8W
	Florance C LS # 10, 10M	E/2 Sec. 30-28N-8W
	Schwerdtferger # 4, 4E	E/2 Sec. 31-28N-8W
	Gooch # 3, 3E	E/2 Sec. 32-28N-8W
Burlington Resources Oil & Gas Co.	Filan # 6, 6M, 6N	E/2 Sec. 5-27N-8W
	Filan # 5	W/2 Sec. 5-27N-8W
XTO Energy	Schwerdtferger # 5, 5E	E/2 Sec. 6-27N-8W



Energizer Resources	
San Juan Basin	
● PHILLIPS #3F (SURFACE LOCATION)	
28N-8W-Sec 32	
By: Robert Fleenor	
September 30, 2008	



bp

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2008 OCT 24 PM 2 11

BP America Production Co.
NAG SPU/San Juan South

Julie Burns Morton, CPL
281-366-4528 (direct)
281-366-7836 (fax)

P. O. Box 3092
Houston, Texas 77253-3092
501 Westlake Park Boulevard
Houston, Texas 77079

October 20, 2008

David M. Poage
Energen Resources
2010 Afton Place
Farmington, NM 87401

RE: Unorthodox Location Application
Phillips # 3F
425' FSL and 1640' FEL
Section 32-T28R-N-R8W
San Juan County, NM

David:

BP America Production Company received your waiver request letter dated October 1, 2008 for the above referenced unorthodox location on October 10, 2008. Per Dan Thomas' (Energen) prior verbal agreement with Jim Perkins (BP), BP will waive objections to this application contingent upon the following:

1. In the subject wellbore Energen will set one packer at +/- 8000' MD **and** an additional packer at +/- 8100' MD. Inside the 7" casing Energen will set a permanent packer @ +/- 7209' MD which will be tested to 1500 psi to verify it is holding.
2. BP will receive Energen's petrophysical (well logs) and drilling data.

If this letter sufficiently captures our prior verbal agreement, please sign in the space below and return one (1) executed copy to the NMOCD at 1220 South Francis Drive, Santa Fe, New Mexico 87505 and one (1) copy to our office and retain one (1) copy for your files.

Please note that we have corrected the legal description from your October 1, 2008 letter to reflect Township **28** North. If you should have any questions, please do not hesitate to contact me at the number listed above.

Sincerely,

Julie Burns Morton

Julie Burns Morton, CPL
Land Negotiator

HEREBY ACCEPTED AND AGREED THIS 21st DAY OF October, 2008

ENERGEN RESOURCES

[Signature]

Signature

DEVIN MILLS

Print

DRILLING ENGINEER

Title

RECEIVED

October 1, 2008

2008 OCT 27 PM 2:00 CERTIFIED MAIL

7007 2680 0002 5579 5160

XTO Energy
810 Houston Street
Fort Worth, TX 76102-6298

RE: Administrative Approval of Unorthodox Location
Phillips # 3F
425' FSL and 1640' FEL
Section 32- T28N, R8W
San Juan 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 Phillips # 3F 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

XTO Energy Inc. hereby waives objection to the above referenced Application for Unorthodox Location for Energen Resources Corporation's Phillips # 3F well.

Date: 10/27/08 By: Ryan Kelley
cc: OCD-Aztec office, BLM-Farmington office, Offset operators

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Thursday, November 06, 2008 11:13 AM
To: 'David Poage'
Subject: Phillips Well No. 3F - NSL Application

Dear Mr. Poage

There is an apparent discrepancy in this application. The application letter states that the bottom hole location is 1616 FNL and 689 FWL, which is a standard location. The attached C-102 shows the bottom hole location at 1400 FNL and 330 FWL, which is not.

Please advise which is correct.

Thanks

David K. Brooks
Legal Examiner
505-476-3450

Brooks, David K., EMNRD

From: David Poage [David.Poage@energen.com]
Sent: Thursday, November 06, 2008 2:53 PM
To: Brooks, David K., EMNRD
Subject: RE: Phillips Well No. 3F - NSL Application

The actual BHL is 1616 FNL and 689 FWL.

Dave Poage

District Landman
Energen Resources
2010 Afton Place
Farmington, NM 87401
505-324-4133-office
505-326-6112-fax
dpoage@energen.com

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Thursday, November 06, 2008 11:13 AM
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Thanks

David K. Brooks
Legal Examiner
505-476-3450

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11/6/2008