



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



May 20, 2009

Energen Resources Corporation
Attn: Mr. John Harrington
2010 Afton Place
Farmington, NM 87401

Administrative Order NSL-4703-A

**Re: Jicarilla 96 Well No. 4R
API No. 30-039-26855
1350 feet FNL and 2450 feet FEL
Unit G, Section 1-26N-3W
Rio Arriba County, New Mexico**

Dear Mr. Harrington:

Reference is made to the following:

(a) your application (**administrative application reference No. pKAA09-11753294**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on April 27, 2009, and

(b) the Division's records pertinent to this request.

Energen Resources Corporation [OGRID 162928] (Energen) has requested to drill the above-referenced well at an unorthodox well location, as described above in the caption of this letter. The NE/4 of Section 1 will be dedicated to this well in order to form a standard 160-acre spacing unit in the undesignated South Blanco Pictured Cliffs Gas Pool (72439). This pool is governed by statewide Rule 15.10.C, which provides for 160-acre units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from the western unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location in order to utilize an existing wellbore completed in another formation.



May 20, 2009

Page 2

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 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.

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 "Mark E. Fesmire", with a stylized flourish at the end.

M Mark E. Fesmire, P.E.
Director

MEF/db

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