

MESO-328838737

DATE IN 9/30/03	SUSPENSE 10/20/03	ENGINEER MEJ	LOGGED MS	NSL RECEIVED
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

SEP 30 2003

Jicarilla 96 #3R Well OIL CONSERVATION DIVISION
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
- [X] 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

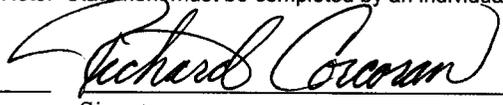
[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [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] [] 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.

Richard P. Corcoran  District Landman 9-26-03
 Print or Type Name Signature Title Date



September 26, 2003

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

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION
JICARILLA 96 #3R
660' FNL & 2,500' FEL
SECTION 12-T26N-R3W
RIO ARRIBA COUNTY, NEW MEXICO

Dear Mr. Stogner:

Energen Resources Corporation (Energen) hereby requests Administrative Approval for an Unorthodox Location of its proposed Jicarilla 96 #3R Blanco Mesaverde well under the provisions of New Mexico Oil Conservation Division (NMOCD) Order R-10987-A and, Wildcat Gallup under State Wide Rule 104.

The proposed well is to be located 660' FNL & 2,500' FEL of Section 12-T26N-R3W, Rio Arriba County, New Mexico, and dedicated to a standard 320 acre gas spacing unit consisting of the E² of said Section 12 for the Blanco Mesaverde gas pool, and 160 acres covering the NE⁴ of Section 12 for the Wildcat Gallup.

The proposed well is closer than 660 feet to the western boundary of the proration unit, causing a non-standard location in both pools. The well is proposed at this unorthodox location to move as far west from the Jicarilla 96 #3 (name changed from Jicarilla H #3) well located 990' FNL & 990' FEL of Section 12-T26N-R3W, which was Plugged and Abandoned on September 13, 1963. The Jicarilla 96 #3 (API #30-039-06624) was drilled to a total depth of 6,030', completed on October 5, 1957, as a Mesaverde well at a plugged back total depth of 5,971', and produced 29,488 MCF before being plugged and abandoned.

As this is a replacement well we are attempting to move it to a point of greater potential thickness and better reservoir quality which was not at the standard location as is set out on the attached geologic explanation.

A copy of this Application is being submitted to all offset operators/owners by certified mail with a request that they furnish your office in Santa Fe a Waiver of Objection.

Attached is a well location plat showing the dedicated acreage (C-102), a topographic plat of the area, and a map showing all offsetting owners.

Your favorable consideration of this request would be appreciated.

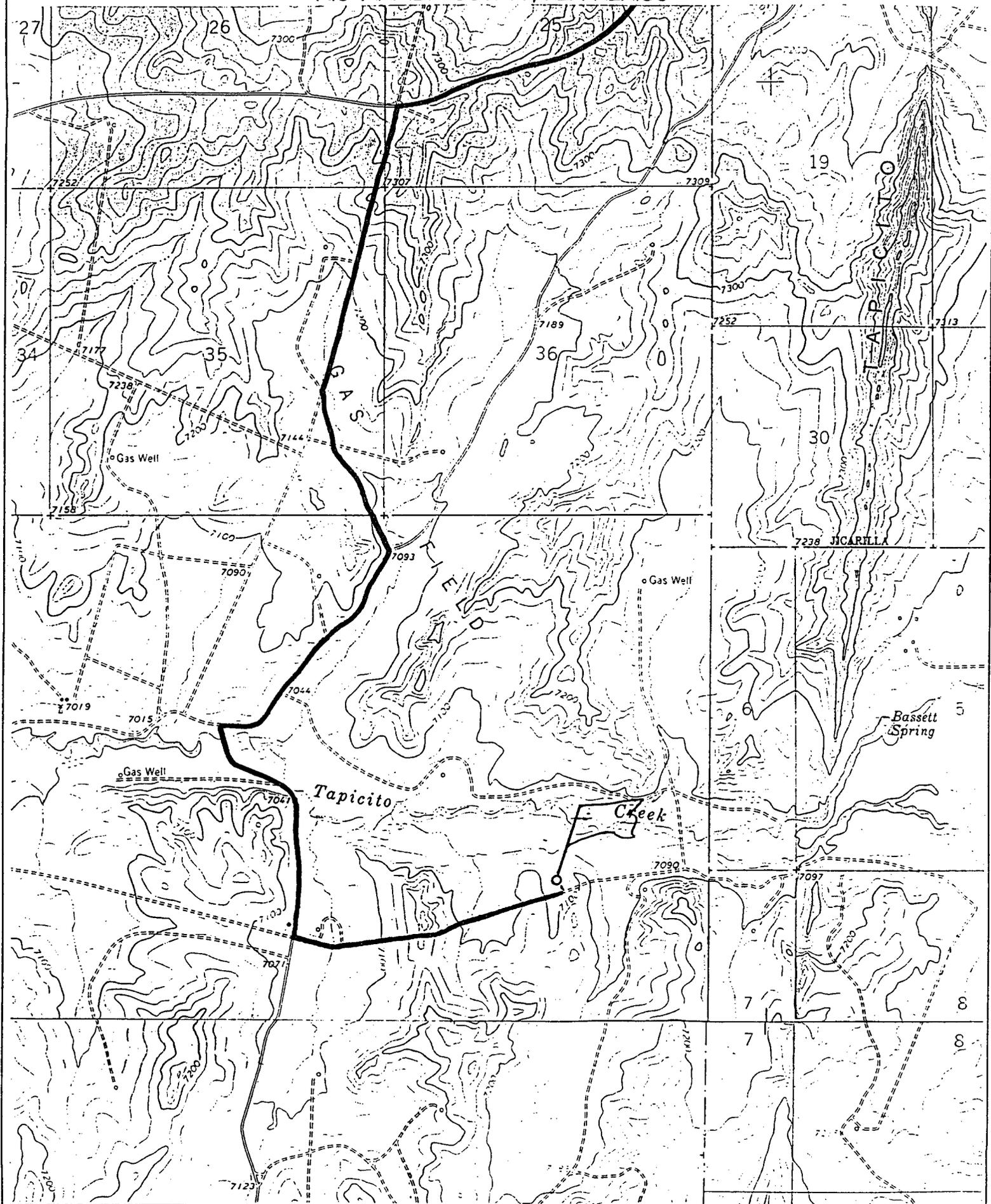
Sincerely,

A handwritten signature in black ink that reads "Richard Corcoran". The signature is fluid and cursive, with the first name being particularly prominent.

Richard Corcoran
District Landman

ENERGEN RESOURCES CORPORATION JICARILLA 96 #3R

660' FNL & 2500' FEL, SECTION 12, T26N, R3W, N.M.P.M.
RIO ARRIBA COUNTY, NEW MEXICO



Jicarilla 96-3R

Unorthodox location for geologic-economic reasons

Explanation

The Jicarilla 96-3R (NWNE sect. 12, 26N-3W) is a very risky Mesaverde step-out location. It is a re-drill of a dry hole located in the same quarter-section (96-3, NENE sect. 12). This dry hole is located 1500' east of the proposed well. Our exception location attempts to get away as far as possible from this area where the reservoir is poorly developed. A well placed at a standard location in the NE/4 would be uneconomic.

Further evidence of the poor reservoir in this area is demonstrated by the fact that there is a dry hole in the SE/4 of sect. 1, and there are also two uneconomic wells in the SE/4 of sect. 12. Energen drilled an uneconomic well in the SE/4 of sect. 12 in 2001. These wells define the eastern edge of economic drilling opportunities.

The data indicates that even at this exception location, we are taking significant risk in an attempt to develop additional reserves.

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

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

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

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

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 / WC:26N3W12B; GALLUP (G)	
*Property Code		*Property Name JICARILLA 96			*Well Number 3R
*OGRID No. 162928		*Operator Name ENERGEN RESOURCES CORPORATION			*Elevation 7081'

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
B	12	26N	3W		660	NORTH	2500	EAST	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 160 acres (Gallup)	320.0 Acres - (E/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

12

5280.00'

5280.00'

5280.00'

5280.00'

2500'

660'

12

Standard
640-acre
Section

¹⁷ OPERATOR CERTIFICATION

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

Don Graham

Signature
Don Graham

Printed Name
Production Superintendent

Title

9-27-02

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.

Date of Survey: JUNE 24, 2002

Signature and Seal of Professional Surveyor

JASON C. EDWARDS

Certificate Number 15269



RESOURCES

September 26, 2003

Certified Mail
7002 0860 0003 4748 2980

RECEIVED

OCT 02 2003

OIL CONSERVATION
DIVISION

Merrion Oil & Gas
610 Reilly Avenue
Farmington, NM 87401

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION
JICARILLA 96 #3R WELL
660' FNL & 2,500' FEL
SECTION 12-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 96 #3R 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, return one executed copy to the NMOCD at 1220 South Saint Frances Drive in Santa Fe, New Mexico 87505, one copy to our office and retain one copy for your files.

Your cooperation in this matter is appreciated.

Sincerely,

Gillian Armenta for

Richard P. Corcoran
District Landman

RC/ga

SEP 30 2003

WAIVER

Merrion Oil & Gas hereby waives objection to the above referenced Application for Unorthodox Location for Energen Resources Corporation's Jicarilla 96 #3R well.

Date: 10-1-03 By: George Chavez
cc: OCD-Aztec office, BLM-Farmington office, Offset Operators



R E S O U R C E S

September 26, 2003

Certified Mail

7002 0860 0003 4748 3062

OCT 3 2003

Coleman Oil & Gas
P. O. Drawer 3337
Farmington, NM 87499

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION
JICARILLA 96 #3R WELL
660' FNL & 2,500' FEL
SECTION 12-T26N-R3W
RIO ARRIBA COUNTY, NEW MEXICO

Dear Interest Owner:

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Sincerely,

Gillian Armenteo for

Richard P. Corcoran
District Landman

RC/ga

WAIVER

Coleman Oil & Gas, Inc. hereby waives objection to the above referenced Application for Unorthodox Location for Energen Resources Corporation's Jicarilla 96 #3R well.

Date: 10-1-03

By: _____

cc: OCD-Aztec office, BLM-Farmington office, Offset Operators