



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



April 19, 2010

Energen Resources Corporation
Attn: Mr. David M. Poage
2010 Afton Place
Farmington, NM 87401

Administrative Order NSL-3373-A

Re: Cullins Federal Well No. 6
API No. 30-039-25394
1510 feet FSL and 2390 feet FEL
Unit J, Section 4-24N-3W
Rio Arriba County, New Mexico

Dear Mr. Poage:

Reference is made to the following:

- (a) your application (**administrative application reference No. pTGW10-10639460**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on April 16, 2010, and
- (b) the Division's records pertinent to this request.

Energen Resources Corporation (Energen) has requested to re-complete the above-referenced well in the Pictured Cliffs at an unorthodox gas well location, described above in the caption of this letter. The same location was approved in the Dakota by Administrative Order NSL-3373, issued on March 24, 1994.

The SE/4 of Section 4 will be dedicated to this well in order to form a standard 160-acre, more or less, gas spacing and proration unit in the South Blanco Pictured Cliffs Gas Pool (72439). This pool is governed by the Special Rules and Regulations for the South Blanco-Pictured Cliffs Gas Pool, as adopted in Order No. R-8170 issued on March 28, 1986, which provide for 160-acre units, and by statewide Rule 15.10.C, which requires that wells be located at least 660 feet from a unit outer boundary. This location is less than 660 feet from the northern and western unit boundaries.



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.

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', written in a cursive style.

Mark E. Fesmire, P.E.
Acting Director

MEF/db

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