



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

February 18, 2002

Lori Wrotenbery

Director

Oil Conservation Division

Energen Resources Corporation
2198 Bloomfield Highway
Farmington, New Mexico 87401

Attention: Richard Corcoran



Re: Application for administrative approval dated February 12, 2002 (application reference No. pKRV0-204552548) for Energen Resources Corporation ("Energen") to drill its proposed San Juan "30-4" Unit Well No. 102 at an off-pattern unorthodox coal gas well location within a non-standard 219.04-acre gas spacing unit in the Basin-Fruitland Coal (Gas) Pool comprising the W/2 equivalent (Lots 1 through 4 and the E/2 W/2) of Section 18, Township 30 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

Dear Mr. Corcoran:

I have reviewed your request for the subject unorthodox off-pattern coal gas well and the records of the Division for wells in the immediate area. You stated in your application, "it is not possible to locate a well in the NE/4 of Section 18". The proposed well is for a spacing unit that comprises the W/2 equivalent of Section 18 and therefore does not affected the NE/4 of Section 18. It was further mentioned that the U. S. Forest Service requested Energen to locate the proposed well on an existing well pad in order to minimize disturbance to wildlife and vegetation. The Energen operated San Juan "30-4" Unit Well No. 1 (API No. 30-39-07840) in Unit "N" of Section 18 appears to provide such a well pad within the appropriate quarter section for this stand-up unit just as well as Energen's San Juan "30-4" Unit Well No. 39 (API No. 30-039-22210) in Unit "F" of Section 18.

Your request for the proposed unorthodox coal gas well location is unwarranted. Deemed unnecessary, it is hereby **denied** and is being returned to you at this time.

Should you wish to pursue this application for this particular off-pattern coal gas well location further, you may reapply for a hearing before a duly appointed examiner.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
U. S. Forest Service - Bloomfield
Kathy Valdes, NMOCD - Santa Fe

DATE IN <u>2/14/02</u>	SUSPENSE <u>3/6/02</u>	ENGINEER <u>MS</u>	LOGGED <u>KN</u>	TYPE <u>NSL</u>
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204552548

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

San Juan 30-4 Unit #102 Well

ADMINISTRATIVE APPLICATION COVERSHEET

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

San Juan 30-4 Unit #102 Well

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 [X] 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

Print or Type Name



Signature

District Landman

Title

2-13-02

Date



February 12, 2002

Michael E. Stogner
New Mexico Oil Conservation Division
1220 South Saint Frances Drive
Santa Fe, NM 87505

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX
AND NON-STANDARD PRORATION UNIT
SAN JUAN 30-4 UNIT #102 WELL
1,450' FNL & 710' FWL
SECTION 18-T30N-R4W
RIO ARRIBA COUNTY, NEW MEXICO
BASIN FRUITLAND COAL

Dear Mr. Stogner:

Energen Resources Corporation requests administrative approval of an unorthodox location and non-standard proration unit for its San Juan 30-4 Unit #102 well under the provisions of NMOCD R-8768.

The proposed well is to be located 1,450' FNL & 710' FWL of Section 18-T30N-R4W, Rio Arriba County, New Mexico and dedicated to a non-standard gas spacing unit consisting of the W/2 of said section 18, in the Basin Fruitland Coal gas pool.

All of section 18-T30N-R4W is dedicated to the San Juan 30-4 Unit (approved by the NMOCD), which provides in part that wells drilled to the Mesaverde and shallower formations shall be dedicated to E/2 or W/2 drilling blocks. Section 18 is irregular in size with the W/2 being made up of Lot 1 (NW NW) 14.73 acres, Lot 2 (SW NW) 14.75 acres, Lot 3 (NW SW) 14.77 acres, Lot 4 (SW SW) 14.79 acres, and E/2 W/2 totaling 219.04 acres which is less than 70% of 320 acres ($219.04/320=68.45\%$) as required in the Basin Fruitland Coal Pool Rule 5.

W/2 dedication
As it is not possible to locate a well in the NE/4 of Section 18, due to steep terrain, off pattern locations in the NW/4 and SE/4 will be necessary. Further at the request of the Forest Service to locate our proposed San Juan 30-4 Unit #102 well on an existing well pad and thereby minimize disturbance to wildlife and vegetation, along with extremely rough terrain in the NE/4 of Section 18 it is necessary to request an unorthodox (off pattern) location.

There is an existing well pad in Unit #1.
The proposed location will be on the same well pad as the San Juan 30-4 Unit #39 (MV) well located 1,520' FNL & 720' FWL of Section 18-T30N-R4W, NMPM.

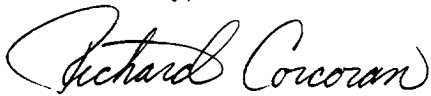
Energen Resources Corporation as operator of the San Juan 30-4 Unit intends to drill seven unit wells during the 2001 season (April 1 through November 1, 2001) and three (3) non unit wells within this area. A plan of development for the San Juan 30-4 Unit setting out our drilling plans will be submitted in February of 2002.

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

Administrative Approval of Unorthodox Location
and Non-Standard Proration Unit
San Juan 30-4 Unit #102
February 12, 2002
Page 2

Attached is a well location plat showing dedicated acreage, a topographic plat of the area, a map showing all offsetting operators and a request from district Range of the Carson National forest for an unorthodox location.

Sincerely,

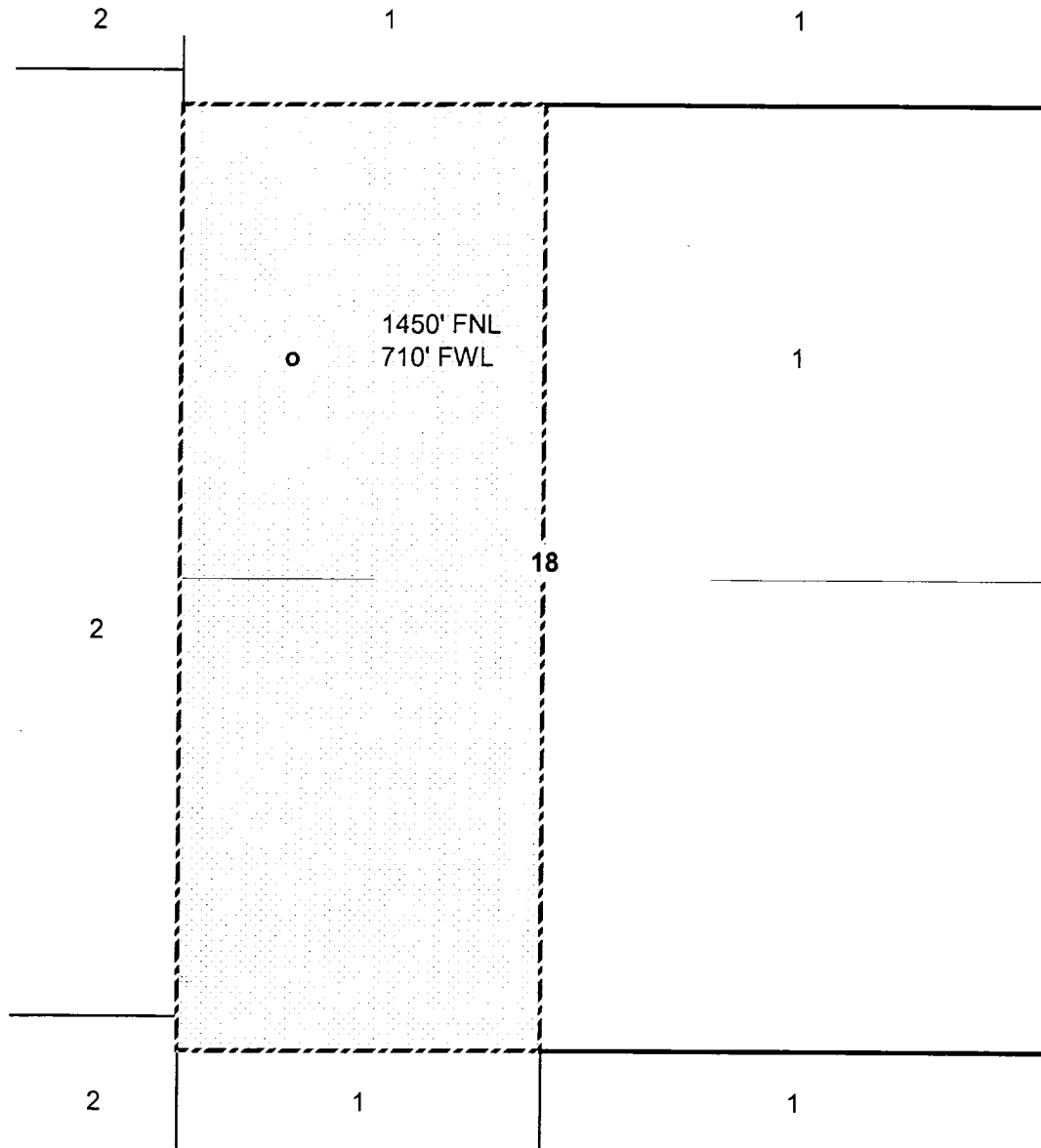
A handwritten signature in cursive script that reads "Richard Corcoran". The signature is written in black ink and is positioned to the left of the printed name.

Richard Corcoran
District Landman

RC/ga

Enclosures

Energen Resources Corporation
San Juan 30-4 Unit #102
OFFSET OPERATOR \ OWNER PLAT
Fruitland Coal Formation
W/2 Section 18, Township 30 North - Range 4 West



Tract 1 Energen Resources Corp.

Tract 2 Phillips Petroleum Co.

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

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

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 71629	*Pool Name Basin Fruitland Coal
*Property Code	*Property Name SAN JUAN 30-4 UNIT		*Well Number 102
*GRID No. 162928	*Operator Name ENERGEN RESOURCES CORPORATION		*Elevation 7095'

¹⁰ Surface Location

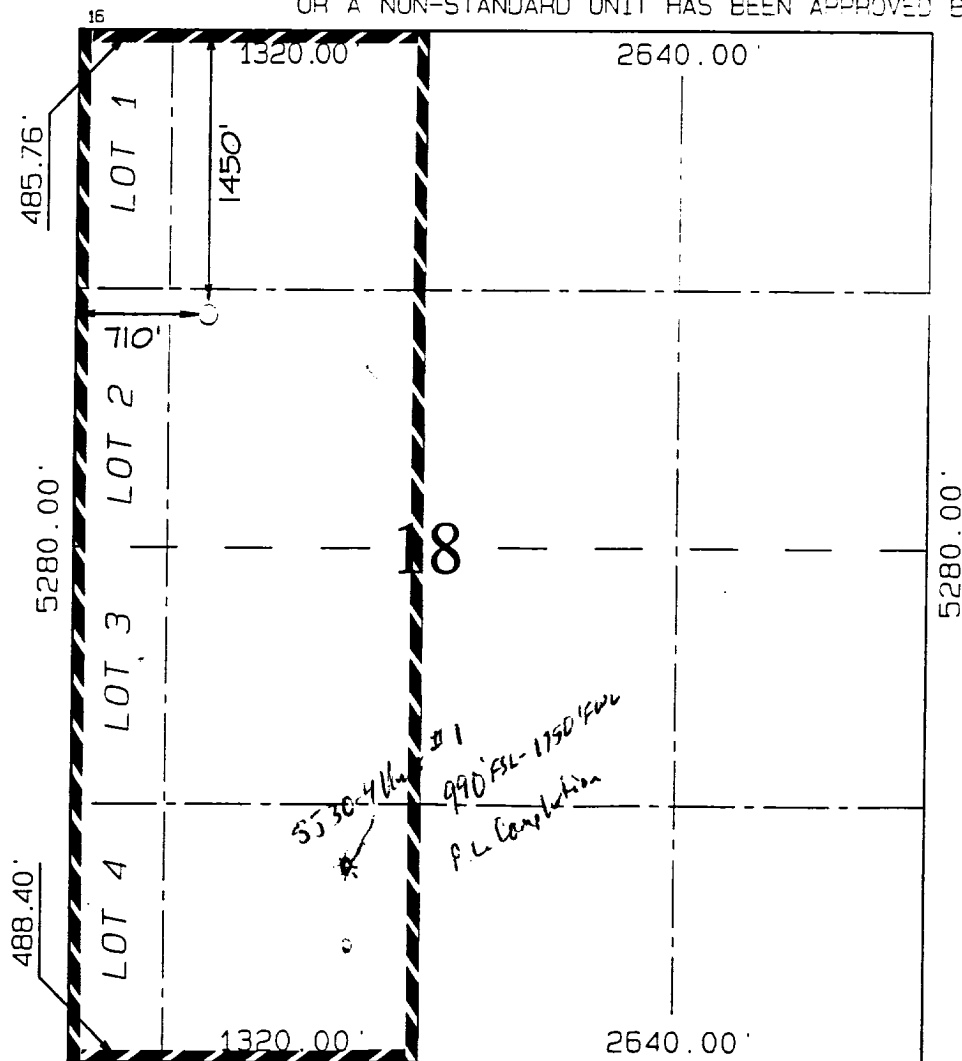
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	18	30N	4W		1450	NORTH	710	WEST	RIO ARriba

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 269.48	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

Don Graham
Signature
Don Graham
Printed Name
Production Superintendent
Title
1-21-02
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.

Survey Date: OCTOBER 12, 2001

Signature and Seal of Professional Surveyor

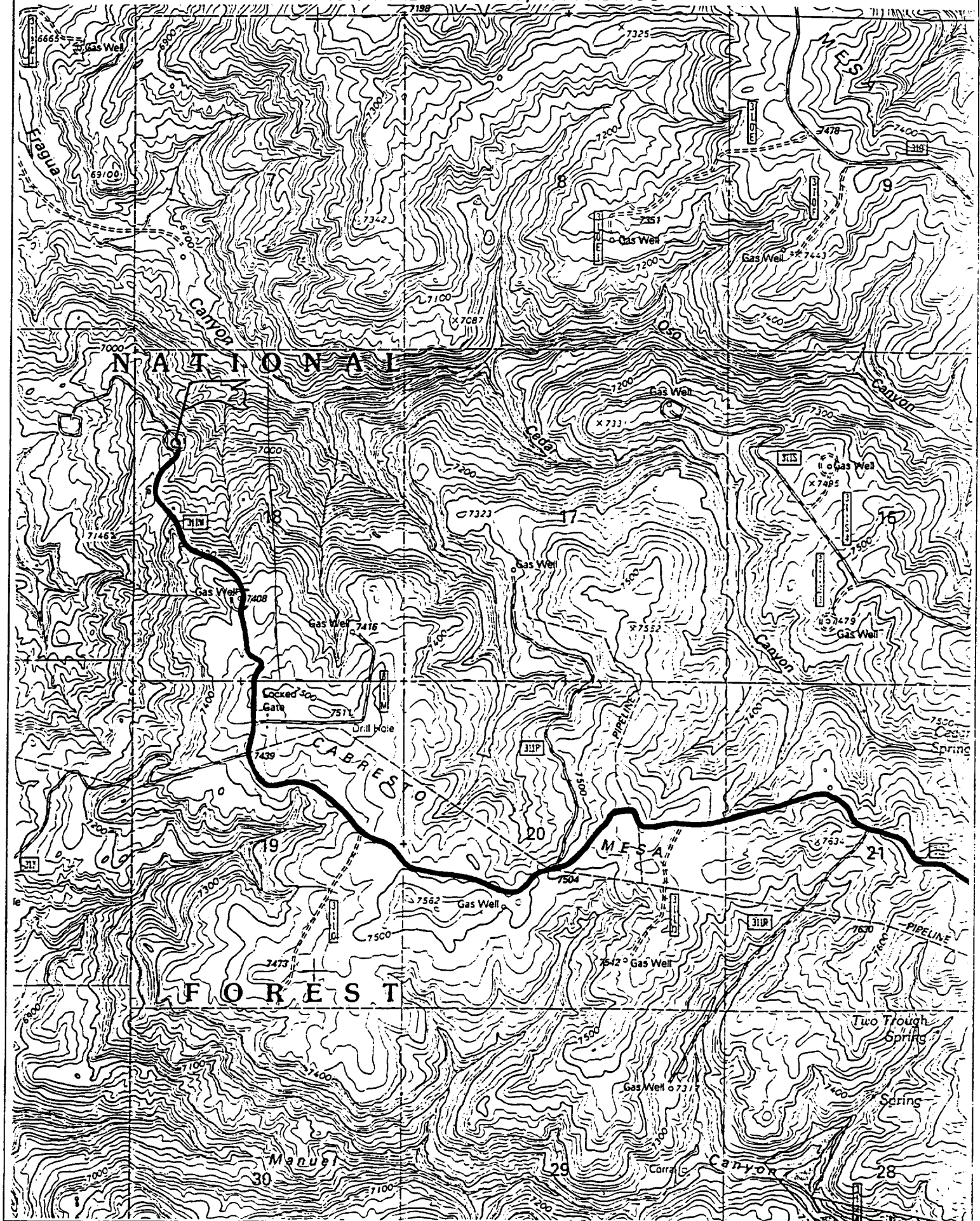


JASON C. EDWARDS
Certificate Number 15269

ENERGEN RESOURCES CORPORATION SAN JUAN 30-4 UNIT #102

1450' FNL & 710' FWL, SECTION 18, T30N, R4W, N.M.P.M.

RIO ARriba COUNTY, NEW MEXICO





United States
Department of
Agriculture

Forest
Service

Southwestern Region 3
Carson National Forest
Jicarilla Ranger District

664 East Broadway
Bloomfield, New Mexico 87413
(505) 632-2956
FAX (505) 632-3173

File Code: 2820-2

Date: February 7, 2002

Mr. Rich Corcoran
Energen Resources, Inc.
2198 Bloomfield Hwy.
Farmington, , NM 87401



Dear Mr. Corcoran:

RE: Unorthodox location for wells:

The Jicarilla Ranger District, Carson National Forest is requesting you apply for two unorthodox locations as follows, as discussed by your company representative, and John Reidinger of this office:

Bullridge Well #100, T. 32 N., R. 5 W. Sec. 33, 1195'FSL/845'FEL
San Juan 30-4 Well #102, T. 30 N., R. 4 W. Sec. 18, 1450'FNL/710'FWL

The mineral operator is required to comply with other applicable regulations such as the Endangered Species Act and the Archeological Resources Protection Act under 36 CFR 228.112(c). The operator is also required under 36 CFR 228.108(c) to minimize or prevent damage to surface resources. The Carson National Forest Management Plan states that surface resource impacts will be minimized when administering mineral resources.

The following conditions apply which require unorthodox locations:

Prevention of unnecessary resource damage requires the locations be unorthodox. (Such as a previously disturbed area or existing road available outside the drilling window.)

Thank you for your cooperation in this matter.

Sincerely,

MARK CATRON
District Ranger

