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NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ENERGEN 162928

Carracas 27 B #16H

ADMINISTRATIVE APPLICATION COVERSHEET

2011/15

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]

CARRACAS 27B #12
30-039-24510

CARRACAS 27B #16H
30-039-31056

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
[] NSL [] NSP [] DD [X] 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] [X] 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

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2011 AUG - 1 A 11:56

[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.

David M. Poage
Print or Type Name


Signature

District Landman
Title

7/28/11
Date

CERTIFIED MAIL RECEIPT
7009 2820 0000 6910 7580

July 28, 2011

Ms Jami Bailey
Division Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, NM 87505

RE: Application of Energen Resources Corporation for Administrative Approval of the Simultaneous Dedication of the South-Half of Section 27, Township 32 North, Range 4 West, N.M.P. M., Rio Arriba County, New Mexico to its presently drilling Carracas 27 B # 16H Well and the existing Carracas 27 B # 12 Well.

Dear Ms. Bailey:

Energen Resources Corporation is the operator of a 320.00 acre spacing unit in the Basin Fruitland Coal Pool (**Pool Code 71629**) comprised of the south-half of Section 27, Township 32 North, Range 4 West, N.M.P.M., Rio Arriba County, New Mexico. This spacing unit is dedicated to Energen's Carracas 27 B # 12 which was vertically drilled and produces from the Fruitland Coal formation.

Energen seeks administrative approval of the simultaneous dedication of this 320.00 acre spacing unit to the following two gas wells:

A. the **Carracas 27 B # 12 well (API No. 30-039-24510)** vertically drilled from a surface location 1640' FSL and 920' FWL of Section 27; and

B. the newly drilling **Carracas 27 B # 16H well (API No. 30-039-31056)** which is being horizontally drilled from a surface location 1044' FSL and 748' FWL of Section 26, to a proposed bottom hole location 1000' FSL and 100' FWL of Section 27. The entry point was at 1033' FSL and 100' FEL of Section 27.

Neither well violates the existing set back requirements for these wells.

Attached hereto for each well is a copy of Division Form C-102 for these wells that show the surface and bottom hole locations of each well. In addition also enclosed is a map of the offset operators of all offsetting spacing units. Energen Resources is the operator of all offsetting spacing units and owns 100% of the working interest in all offsetting spacing units.

Since Energen is the only party required to be furnished a Notice to offset operators none is being attached to this application.

The simultaneous dedication of the South-Half of said Section 27 to the Carracas 27 B # 12 and the Carracas 27 B # 16H wells will afford Energen the opportunity to efficiently produce the Fruitland Coal formation under this spacing unit. Energen's proposed simultaneous dedication of these wells does not exceed the number of wells allowed by division Rule for this spacing unit.

Your attention to this application is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "David M. Poage". The signature is fluid and cursive, with the first name "David" being the most prominent.

David M. Poage
District Landman
Energen Resources Corporation

Enclosures

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

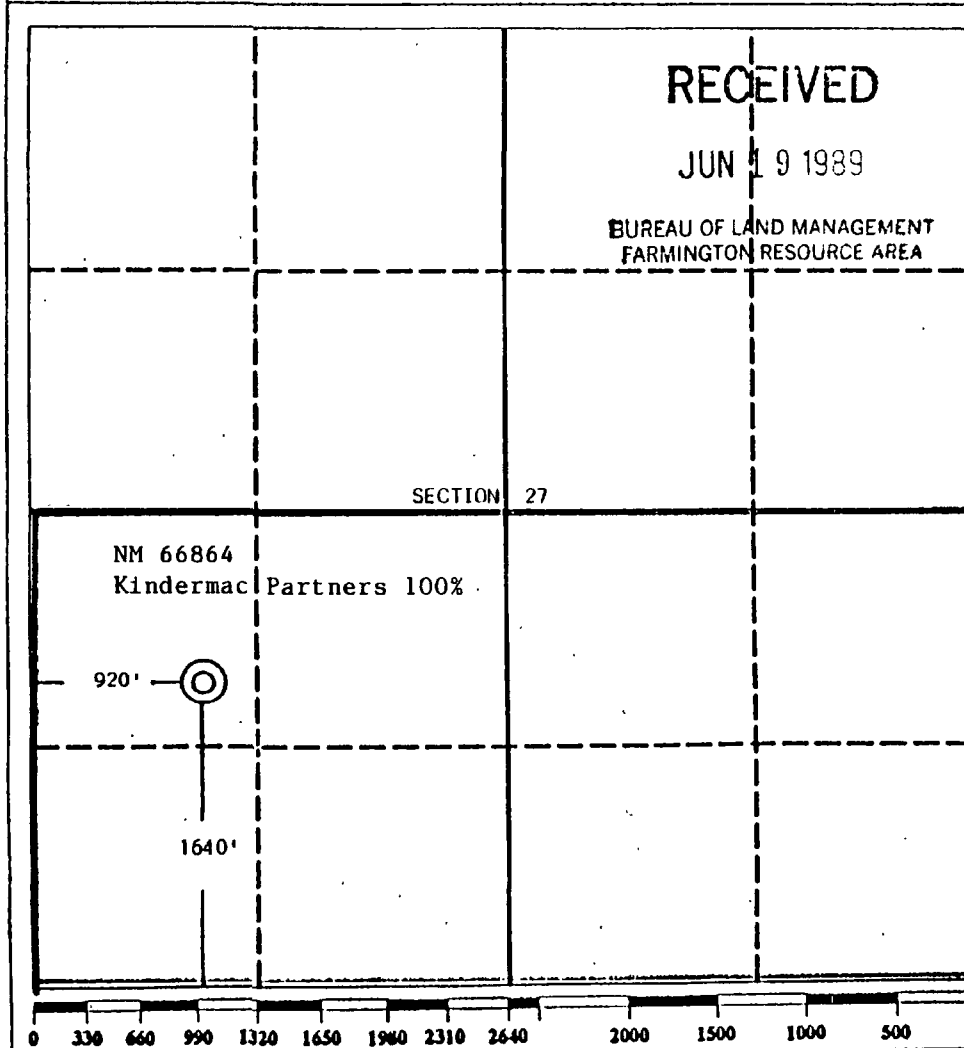
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Nassau Resources, Inc.			Lease Carracas Unit 27 B		Well No. 12
Unit Letter L	Section 27	Township 32 North	Range 4 West	County NMPM Rio Arriba	
Actual Footage Location of Well: 1640 feet from the South line and 920 feet from the West line					
Ground level Elev. 7165	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal		Dedicated Acreage: 320.0 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☒ Yes ☐ No If answer is "yes" type of consolidation Unitization - Carracas Unit
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
James S. Hazen
Position
Field Supt.
Company
Nassau Resources, Inc.
Date
6/15/89

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 knowledge and belief.

Date Surveyed
June 6, 1989
Signature & Seal of Professional Surveyor
Edgar Risenhooover
Certificate No. 5979
Edgar Risenhooover

<div style="text-align: center; font-size: 2em; font-weight: bold; margin-bottom: 20px;">27 26</div> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>BHL</p> </div> <div style="text-align: center;"> <p>Entry Point</p> </div> <div style="text-align: center;"> <p>SHL</p> </div> </div>	<div style="text-align: center; font-weight: bold; margin-bottom: 10px;">17 OPERATOR CERTIFICATION</div> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="border-bottom: 1px solid black; width: 80%;"></div> <div style="text-align: right;">7/15/11</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Signature Date </div> <div style="margin-top: 20px;"> <p><u>Andrew Soto</u></p> <p>Printed Name</p> </div>
<div style="text-align: center; font-weight: bold; margin-bottom: 10px;">18 SURVEYOR CERTIFICATION</div> <p><i>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.</i></p> <p>August 3, 2009</p> <hr/> <p>Date of Survey</p> <p>Original Survey Conducted and Recorded By: David R. Russell</p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> 10201 Certificate Number </div>	

