

Susana Martinez Governor

John H. Bemis Cabinet Secretary-Designate

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey
Division Director
Oil Conservation Division



September 28, 2011

Energen Resources Corporation Attn: Mr. David M. Poage

Administrative Order SD-201126 Administrative Application Reference No. pTGW11-25147705

ADMINISTRATIVE SIMULTANEOUS DEDICATION ORDER

Operator:

Energen Resources Corporation

OGRID:

162928

Subject Wells

Carracas 21A Well No. 15 (existing vertical) API No. 30-039-24424 790 feet FSL & 1850 feet FEL Unit O, Section 21-32N-5W Rio Arriba County, New Mexico

Carracas 21A Well No. 1H (existing horizontal) API No. 30-039-30167 Section 21-32N-5W Rio Arriba County, New Mexico

Surface location
690 feet FSL & 2020 feet FEL (Unit O)
Penetration Point
1672 feet FSL & 1643 feet FEL (Unit J)
Terminus
1025 feet FNL & 759 feet FEL (Unit A)



Subject Unit

E/2 Section 21 320 acres Basin Fruitland Coal Gas Pool (71629)

Reference is made to your application filed on September 8, 2011.

You have requested to simultaneously dedicate the Subject Unit to the Subject Wells.

The Subject Unit is a standard 320-acre, more or less, gas spacing unit in the above-identified pool. Applicable well density rules for this pool allow two wells to be completed in the unit, but require that the wells be in different quarter sections. Because Well No. 1H is completed within both quarter sections of this 320-acre unit, division approval for simultaneous dedication is required.

Your application has been duly filed under the provisions of Division Rules 15.11.C [19.15.15.11.C NMAC] and 4.12.A [19.15.4.12.A NMAC].

It is our understanding you have proposed the simultaneous dedication of this unit to the Subject Wells for geological reasons, in order to prevent waste and maximize production from this unit. We further understand that you have given due notice of this application to all offsetting operators and owners who are affected persons.

Pursuant to the authority granted by Rule 15.11.C, the above-described simultaneous dedication is herby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Jami Bailey Director

JB/db

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