

DATE IN 9.8.11	SUSPENSE	ENGINEER DKB	LOGGED 9.8.11	TYPE 1125747705
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

Carracas 21A # 1H

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
☐ [] 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

[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

9/02/11
Date

September 2, 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 East-Half of Section 21, Township 32 North, Range 5 West, N.M.P. M., Rio Arriba County, New Mexico to its existing Carracas 21 A #15 Well and the Carracas 21 A # 1 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 East-half of Section 21, Township 32 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico. This spacing unit is dedicated to Energen's Carracas 21 A # 15 which was drilled and is capable of production 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 21 A # 15 well (API No. 30-039-24424) vertically drilled from a surface location 790' FSL and 1,850' FEL of Section 21. This well was temporarily abandoned when the Carracas 21 A # 1H was drilled and

B. the horizontally drilled Carracas 21 A # 1H well (API No. 30-039-30167) which was horizontally drilled from a surface location 690' FSL and 2,020' FEL of Section 21 to a proposed bottom hole location 1,083' FNL and 788' FEL of Section 21. The entry point was at 1,672' FSL and 1643' FEL of Section 21.

Neither well violates the existing set back requirements for these wells. This area has a 10' setback pursuant to R-13199.

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.

Energen has mailed, via USPS Certified Mail, Notice to the Bureau of Land Management that this application has been submitted. A copy of the Notice to the Bureau of Land Management is also attached.

The simultaneous dedication of the East-Half of said Section 21 to the Carracas 18 B # 15 and the Carracas 18 B # 1H 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

RECEIVED

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
AUG 20 2008 Revised October 12, 2005

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to Appropriate District Office
Bureau of Land Management
State Lease - 4 Copies
Farmington Field Office Fee Lease - 3 Copies

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-30167		*Pool Code 711629	*Pool Name FRUITLAND COAL
*Property Code 35660	*Property Name CARRACAS 21A		*Well Number 1
*OGRID No. 1162928	*Operator Name ENERGEN RESOURCES CORPORATION		*Elevation 7065'

10 Surface Location

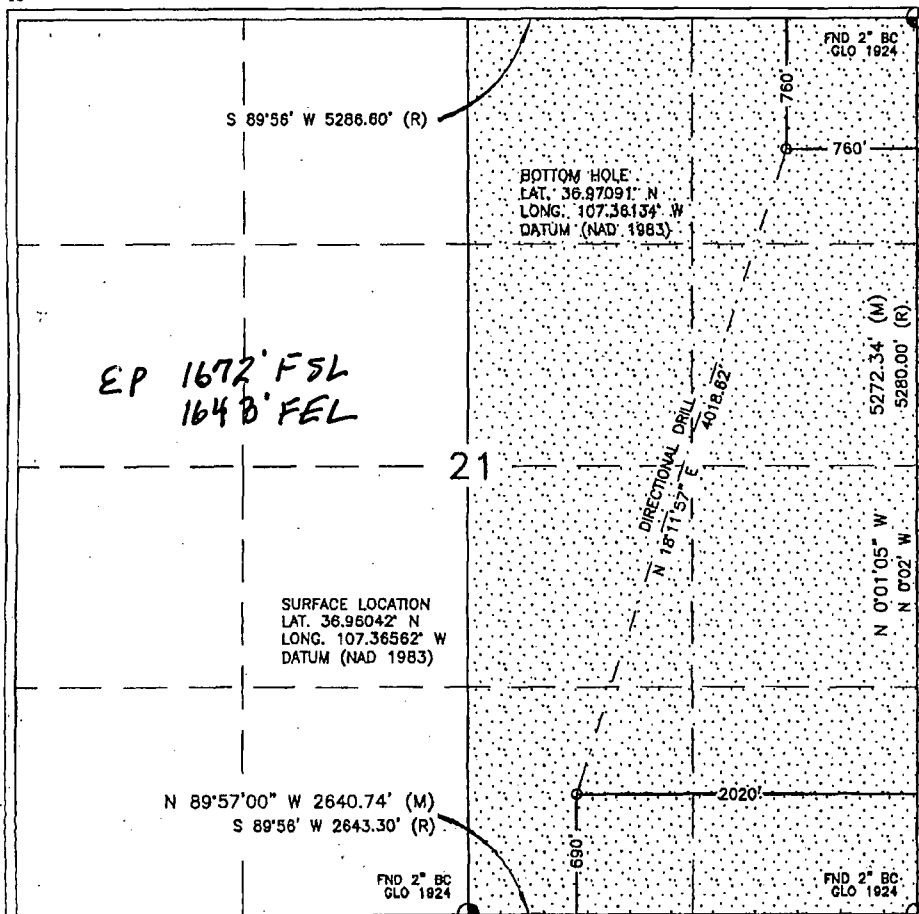
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	21	32N	5W		690'	SOUTH	2020'	EAST	RIO ARriba

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
A	21	32N	5W		760'	NORTH	760'	EAST	RIO ARriba
Dedicated Acres 319.51 Acres - (E/2)			Joint or Infill		Consolidation Code		Order No.		

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

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17 OPERATOR CERTIFICATION

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 or a compulsory pooling order heretofore entered by the division.

Signature: Vicki Donaghy Date: 8-20-08

Printed Name: Vicki Donaghy

18 SURVEYOR CERTIFICATION

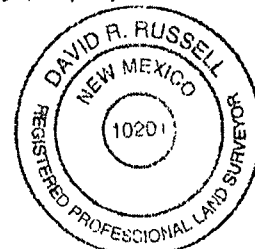
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

APRIL 24, 2008

Date of Survey

Signature and Seal of Professional Surveyor:

Signature: David R. Russell



NMOCD

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-79

All distances must be from the outer boundaries of the Section.

Operator Nassau Resources, Inc.		Lease Carracas Unit 21 A.		Well No. 15
Unit Letter 0	Section 21	Township 32 North	Range 5 West	County Rio Arriba
Actual Footage Location of Well:				
790	feet from the	South	line and	1850
			feet from the	East
Ground Level Elev. 7030	Producing Formation Fruitland	Pool Basin Fruitland Coal	Dedicated Acres 320	Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below,
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Carracas Unit - Unitization

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 interests, has been approved by the Division.

NM 30351
Kindermac Partners

SECTION

21

1850'
790'

CERTIFICATION

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

Fran Perrin

Name
Fran Perrin

Position
Admin. Asst.

Company
Nassau Resources, Inc.

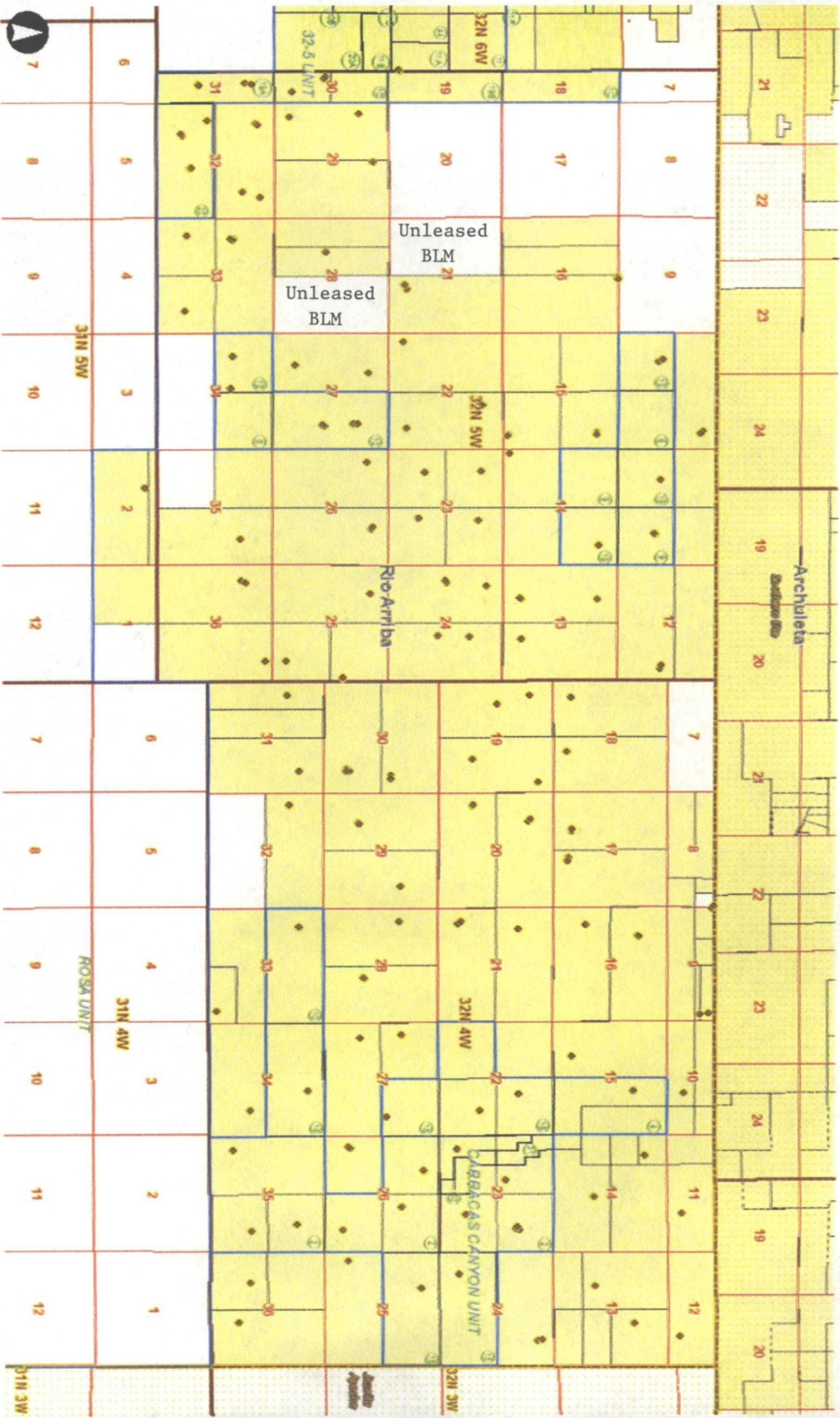
Date
12/8/88



Date Surveyed
June 23, 1988

Registered Professional Engineer
and/or Land Surveyor

Edgar L. Risenhoover





CERTIFIED MAIL –RECEIPT REQUESTED
7009 2820 0000 6910 8785

September 2, 2011

AFFECTED INTEREST OWNERS

RE: Application of Energen Resources Corporation for simultaneous dedication
Rio Arriba County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Energen Resources Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking the simultaneous dedication of the Carracas 21 A # 15 and Carracas 21 A # 1H to the East-half of Section 21-Township 32 North, Range 5 West., NMPM, Rio Arriba County, New Mexico.

As the owner of an interest that may be affected by the proposed well, you may object to this application. Objections must be filed in writing within twenty days from this date at the Division's Santa Fe office that is located at 1220 South Saint Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application for a simultaneous dedication may be approved.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "David M. Poage", with a stylized flourish at the end.

David M. Poage
District Landman
Energen Resources Corporation

Bureau of Land Management
Department of the Interior
1235 La Plata Hwy.
Farmington, NM 87401

District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-102
Revised October 12, 2005

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-30167	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 35660	⁵ Property Name Carracas 21A	⁶ Well Number 1
⁷ OGRID No 162928	⁸ Operator Name Energen Resources Corporation	⁹ Elevation 7065'

¹⁰ Surface Location

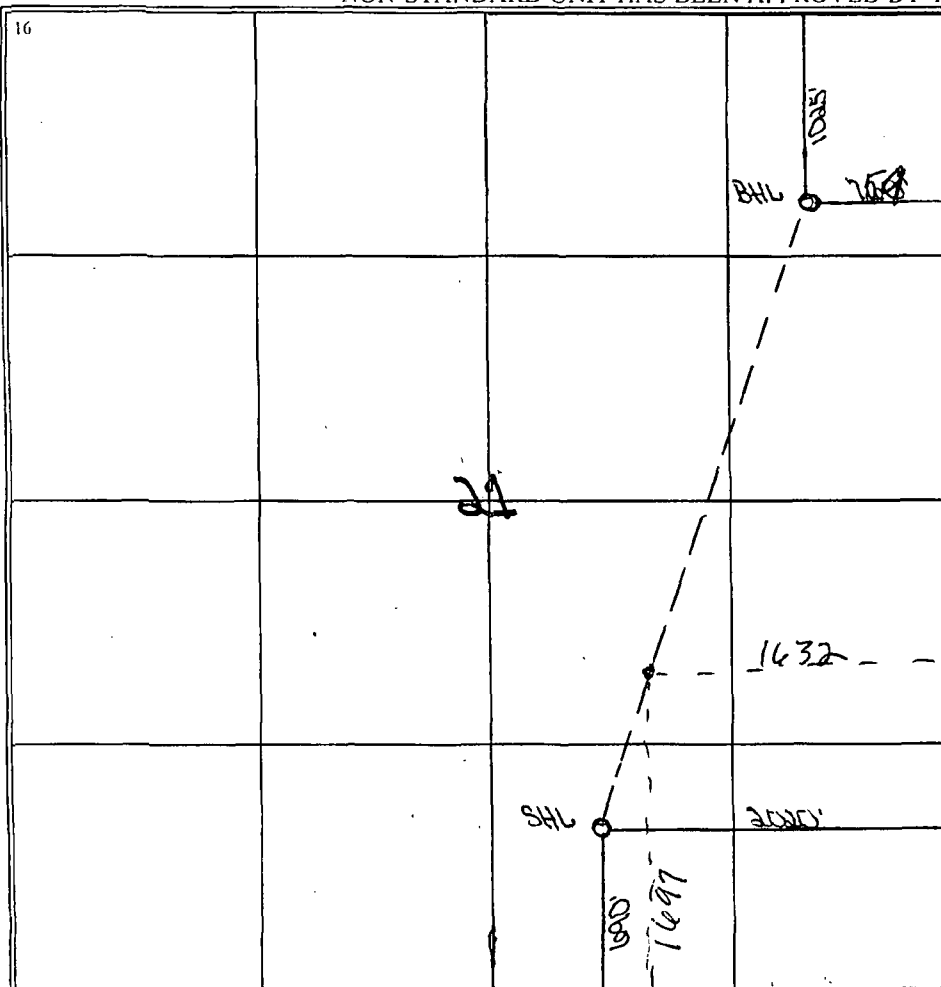
UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	21	32N	05W		690	South	2020	East	Rio Arriba

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
A	21	32N	05W		1025	North	759	East	Rio Arriba

¹² Dedicated Acres 319.51	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

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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</p> <p><i>Vicki Donaghey</i> 11/20/08 Signature Date Vicki Donaghey Printed Name</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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</p> <p>April 24, 2008 Date of Survey Original survey conducted and recorded by: DAVID R. Russell 10201 Certificate Number</p>

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