



New Mexico Energy, Minerals and Natural Resources Department

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-201129
Administrative Application Reference No. pTGW11-25146663

ADMINISTRATIVE SIMULTANEOUS DEDICATION ORDER

Operator: **Energen Resources Corporation**
OGRID: 162928

Subject Wells

Carracas 32B Well No. 5 (existing vertical)
API No. 30-039-24408
1630 feet FNL & 790 feet FWL
Unit E, Section 32-32N-4W
Rio Arriba County, New Mexico

Carracas 32B Well No. 7H (new horizontal)
API No. 30-039-30528
Section 32-32N-4W
Rio Arriba County, New Mexico

Surface location

1630 feet FNL & 715 feet FWL (Unit E)

Penetration Point

1651 feet FNL & 1724 feet FWL (Unit F)

Terminus

1724 feet FNL & 111 feet FEL (Unit H)



Subject Unit

N/2 Section 32

310.55 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. 7H is completed within both quarter sections of this 320-acre unit, division approval for simultaneous dedication is required.

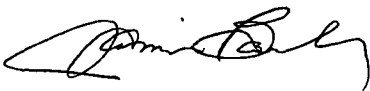
Your application has been duly filed under the provisions of Division Rules 15.11.C [19.15.15.11.C NMAC] and 4.12.A [19.15.4.12.A NMAC].

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 due notice has been sent to offsetting owners or operators who are affected persons.

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

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 "Jami Bailey", is written over a horizontal line.

Jami Bailey
Director

JB/db

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