



New Mexico Energy, Minerals and Natural Resources Department

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Division Director
Oil Conservation Division



October 3, 2011

Energen Resources Corporation
Attn: Mr. David M. Poage

Administrative Order SD-201135
Administrative Application Reference No. pTGW11-25551504

ADMINISTRATIVE SIMULTANEOUS DEDICATION ORDER

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

Subject Wells

Carracas 10 A Well No. 8 (existing vertical)

API No. 30-039-26420

800 feet FNL & 540 feet FEL

Unit H, Section 10-32N-5W

Rio Arriba County, New Mexico

Carracas 10 A Well No. 5 H (new horizontal)

API No. 30-039-30135

Section 10-32N-5W

Rio Arriba County, New Mexico

Surface location

755 feet FNL & 620 feet FEL (Unit H)

Penetration Point

835 feet FNL & 1598 feet FEL (Unit G)

Terminus

944 feet FNL & 1587 feet FWL (Unit F)



Subject Unit

N/2 of Section 32

236.72 acres

Basin Fruitland Coal Gas Pool (71629)

Reference is made to your application filed on September 12, 2011.

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

The Subject Unit is an existing gas spacing unit in the above-identified pool. Applicable well density rules for this pool allow two wells to be completed in each spacing unit, but require that the wells be in different quarter sections. Because new well is or will be completed within both quarter sections of the Subject Unit, division approval for simultaneous dedication is required.

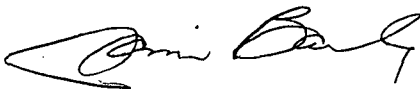
Your application has been duly filed under the provisions of Division Rules 15.11.C [19.15.15.11.C NMAC] and 4.12.A [19.15.4.12.A NMAC].

It is our understanding you have proposed the simultaneous dedication of the Subject 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 or owners who are "affected persons" as defined in Division Rule 4.12.

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,



Jami Bailey
Director

JB/db

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