

DATE IN 9/12/11	SUSPENSE	ENGINEER D B	LOGGED 9/12/11	TYPE 1125551504
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PTG-W 2
ENERGEN 162928

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

Carracas 10 A # 5H

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

201135

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

David M. Poage
Signature

District Landman
Title

9/09/11
Date



CERTIFIED MAIL-RECEIPT REQUESTED

7009 2820 0000 6910 8952

September 9, 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 North-Half of Section 10, Township 32 North, Range 5 West, N.M.P. M., Rio Arriba County, New Mexico to its existing Carracas 10 A #8 Well and the Carracas 10 A # 5H Well.

Dear Ms. Bailey:

Energen Resources Corporation is the operator of a 236.72 acre spacing unit in the Basin Fruitland Coal Pool (**Pool Code 71629**) comprised of the north-half of Section 10, Township 32 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico. This spacing unit is dedicated to Energen's Carracas 10 A # 8 which was vertically drilled and is capable of production from the Fruitland Coal formation.

Energen seeks administrative approval of the simultaneous dedication of this 236.72 acre spacing unit to the following two gas wells:

A. the **Carracas 10 A # 8 well (API No. 30-039-26420)** vertically drilled from a surface location 800' FNL and 540' FWL of Section 31 pursuant to Order NSP-1597 and

B. the horizontally drilled **Carracas 10 A # 5H well (API No. 30-039-30135)** which was horizontally drilled from a surface location 755' FNL and 820' FEL of Section 10 to a bottom hole location 944' FNL and 1,587' FWL of Section 10. The entry point was at 835' FNL and 1,598' FEL of Section 30.

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 with the Exception of Section 9-T32N-R5W which is unleased acreage owned by the Bureau of Land Management.

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

The simultaneous dedication of the North-Half of said Section 10 to the Carracas 10 A # 8 and the Carracas 10 A # 5H 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

30-059-26420

200 MAR 27 PM 2:13

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

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

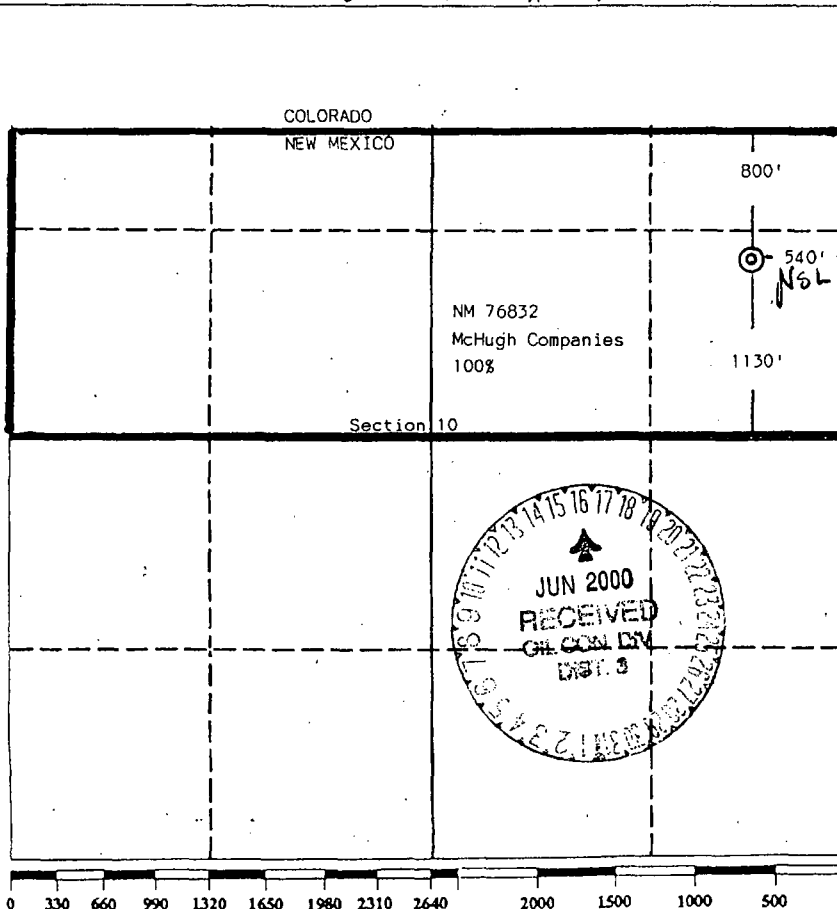
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Nassau Resources, Inc. (OGRID #015515)		Lease Carracas Unit 10 A 8287		Well No. 8
Unit Letter H	Section 10	Township 32 North	Range 5 West NMPM	County Rio Arriba
Actual Footage Location of Well:				
800 feet from the North line and	540 feet from the East line			
Ground level Elev. 7590	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal (#71629)	Dedicated Acreage: 236.72 Acres	7476

- 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 _____
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
Fran Perrin
Printed Name
Fran Perrin
Position
Regulatory Liaison
Company
Nassau Resources, Inc.
Date
3/23/00

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
October 11, 1989

Signature & Seal of
Professional Surveyor
EDGAR L. RISENHOOVER
NEW MEXICO
Certificate No. 5979
Edgar L. Risenhoover

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 30-039-30135	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 35650	⁵ Property Name Carracas 10A	⁶ Well Number 5
⁷ OGRID No. 162928	⁸ Operator Name Energen Resources Corporation	⁹ Elevation 7585'

¹⁰ Surface Location

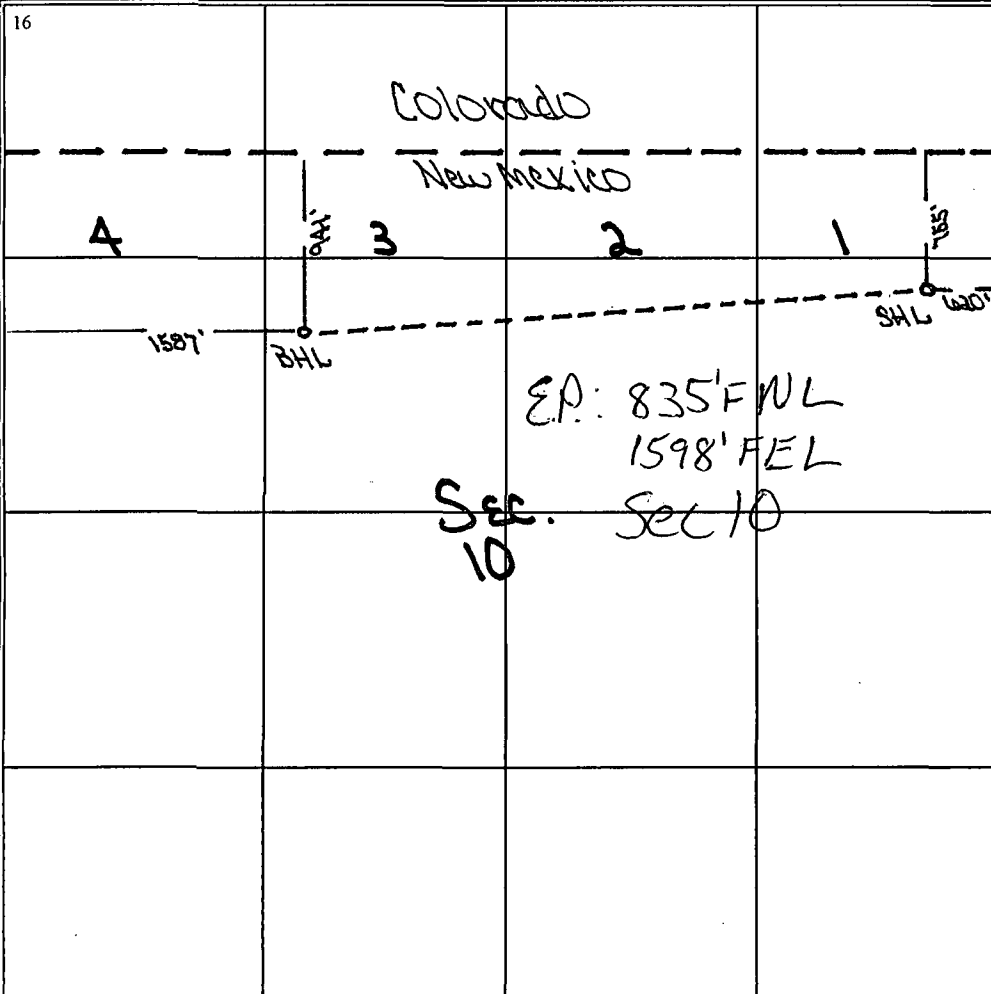
UL or lot no. H	Section 10	Township 32N	Range 05W	Lot. Idn	Feet from the 755	North/South line North	Feet from the 620	East/West line East	County Rio Arriba
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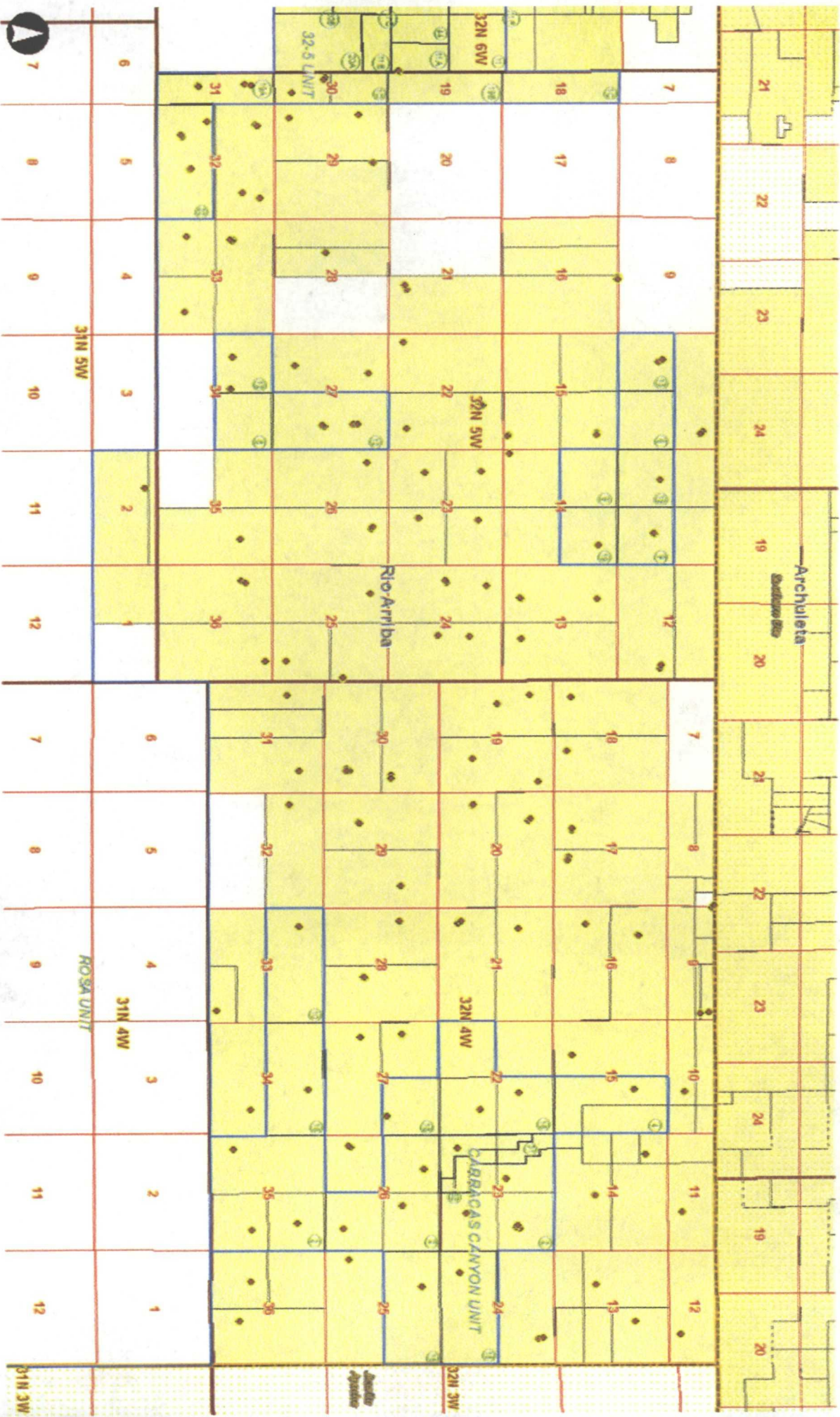
¹¹ Bottom Hole Location If Different From Surface

UL or lot no. F	Section 10	Township 32N	Range 05W	Lot. Idn	Feet from the 941'	North/South line North	Feet from the 1587'	East/West line West	County Rio Arriba
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¹² Dedicated Acres 236.72	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

¹⁶ 	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 of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: Vicki Donaghey Date: 08/22/08 Printed Name: Vicki Donaghey
	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. Date of Survey: 12/07/06 Signature and Seal of Professional Surveyor: original survey conducted and recorded by: David A. Russell Certificate Number: 10201





CERTIFIED MAIL –RECEIPT REQUESTED

September 9, 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 10 A # 5 and Carracas 10 A # 8H to the North-half of Section 10-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
1235 La Plata Hwy
Farmington, NM 87401