



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-201137
Administrative Application Reference No. pTGW11-25549772

ADMINISTRATIVE SIMULTANEOUS DEDICATION ORDER

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

Subject Wells

Carracas 21 B Well No. 5 (existing vertical)
API No. 30-039-24421
1655 feet FNL & 1185 feet FWL
Unit E, Section 21-32N-4W
Rio Arriba County, New Mexico

Carracas 21 B Well No. 1H (new horizontal)
API No. 30-039-30473
Section 21-32N-4W
Rio Arriba County, New Mexico

Surface location
1655 feet FNL & 1165 feet FWL (Unit E)

Penetration Point
1458 feet & 1944 feet FWL (Unit F)

Terminus
115 feet FNL & 146 feet FEL (Unit A)



Subject Unit

N/2 of Section 21

320 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 notice to offsetting operators or owners is unnecessary due to common ownership.

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