

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



October 19, 2016

Ms. Brenda Rathjen
Energen Resources Corporation
3510 North "A" Street, Bldgs. A and B
Midland, TX 79705

RE: Administrative Order SWD-1501; First Extension of Deadline
Red Ruby 35 Federal No. 1 (API 30-025-34003)
Unit A, Sec 35, T23S, R32E, NMPM, Lea County, New Mexico
Order Date: October 23, 2014
Injection into Bell Canyon and Cherry Canyon formations; permitted interval: 5150 feet to 6650 feet

Dear Ms. Rathjen:

Reference is made to your request on behalf of Energen Resources Corporation (the "operator") to extend the October 23, 2016 deadline stipulated in order SWD-1501 to commence injection operations for the above referenced well for an additional one year for reasons outlined in the attached correspondence.

It is the Division's understanding from your request that there have been no significant changes in the information provided in the application submitted for review and approval of this order. These changes include the completion of new wells within the Area of Review that penetrated the approved injection interval and any changes in ownership.

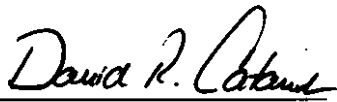
The Division finds that granting this request to extend this administrative order is in the interest of conservation, will prevent waste, and will protect the environment.

All requirements of the above referenced administrative order and agreements in the application remain in full force and effect.

SWD-1501: Extension of Deadline
Energen Resources Corporation
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The deadline to commence injection for the existing order is hereby extended until October 23, 2017.

Sincerely,



DAVID R. CATANACH
Director

DRC/prg

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office
Well File API 30-025-34003
SWD-1501



October 17, 2016

Mr. David Catanach
Division Director
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RE: Administrative Order SWD-1501 - dated October 23, 2014
Red Ruby 35 Federal SWD 1 API 30-025-34003
Energen Resources Corporation #252002

Dear Mr. Catanach,

Energen Resources Corporation requests a 1 year extension to the above noted Injection Permit. The Application to Drill (APD) was filed with the BLM in July 2014. There were many reasons beyond our control in the approval course of this APD and Energen still does not have an approved drill permit. As of October 3, 2016, to the best of my knowledge, all requests from all entities for all requirements have been satisfied and that final submission acknowledged with a certified mail receipt.

With that said, this extension request is in line to follow an approved drill permit from the BLM, which was the original plan over two years ago. Our operations group could go forward with the re-entry and conversion with both approved.

I have reviewed the ½ mile AOR and there are no changes to wells in the radius area.
Sec 25 – no new wells. 2 yr. extensions were granted to Cimarex by the BLM.
Sec 26 – no new wells
Sec 35 – no new wells
Sec 36 – no new wells

I look forward to hearing from you.

Respectfully,

Brenda F. Rathjen
Energen Resources Corporation
3510 N. "A" St. Bldgs. A & B
Midland, TX 79705
432-688-3323
brathjen@energen.com