



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 8, 1999

Energen Resources Corporation
2198 Bloomfield Highway
Farmington, New Mexico 87401

Attention: Richard Corcoran

Re: *Administrative application dated March 4, 1999 for Energen Resources Corporation's San Juan "32-5" Unit Well No. 8-R to be drilled at an unorthodox gas well location 2075 feet from the North line and 145 feet from the East line (Unit H) of Section of 27, Township 32 North, Range 6 West, NMPM, Basin-Dakota and Blanco-Mesaverde Pools, Rio Arriba County, New Mexico.*

Dear Mr. Corcoran:

In reviewing your application that was submitted to the Division on March 5, 1999, the Blanco-Mesaverde portion of this application appears to be unnecessary pursuant to the new pool rules for the Blanco-Mesaverde Pool established by Division Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999 (see copy attached). I will therefore review your application and issue an order, if appropriate, for the Basin-Dakota Pool. Should my assumption be incorrect please provide me with a proper explanation and I will include the Blanco-Mesaverde Pool.

Sincerely,

A handwritten signature in black ink, reading "Michael E. Stogner", followed by a long horizontal line.

Michael E. Stogner
Chief Hearing Officer/Engineer

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington