



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

March 17, 2003

Energen Resources Corporation
2198 Bloomfield Highway
Farmington, New Mexico 87401
Attention: Richard Corcoran

Administrative Order NSL-4852

Dear Mr. Corcoran:

Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") on February 11, 2003 (*application reference No. pKRV0-304252935*); (ii) your telephone conversation with Michael E. Stogner, Division Engineer in Santa Fe, on Monday, February 24, 2003; (iii) Mr. Stogner's telephone conversations with Mr. Steve Hayden, Division Geologist in Aztec, on Monday, March 10 and on Friday, March 14, 2003; and (iv) the Division's records in Santa Fe and Aztec: all concerning Energen Resources Corporation's ("Energen") request to drill its proposed Jicarilla "95" Well No. 6-C (API No. 30-039-26892) at an unorthodox Mancos gas well location 660 feet from the South line and 2500 feet from the East line (Unit O) of Section 36, Township 27 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

The SE/4 of Section 36 is to be dedicated to this well in order to form a standard 160-acre gas spacing unit for this gas bearing Mancos interval designated WC-27N3W36; Mancos (97152).

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

It is our understanding that this well is to be dually completed in both the Mancos and Blanco-Mesaverde intervals. Under the rules governing the Blanco-Mesaverde Pool (72319), see the "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, as amended by Division Order No. R-10987-A (1), dated December 2, 2002, this location within an existing standard 320-acre lay-down gas spacing and proration unit comprising the S/2 of Section 36 is standard.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Mancos gas well location is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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