



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

May 10, 1999

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

Administrative Order NSL-4276

Dear Mr. Corcoran:

Reference is made to your two applications dated April 16, 1999 for exceptions to the well location requirements provided within the: (i) the "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by New Mexico Oil Conservation Division ("Division") Order No. R-10987-A, issued in Case No. 12069 dated February 1, 1999; and (ii) the "*Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987, for Energen Resources Corporation's ("Energen") proposed:

- (a) Carson Well No. 5 to be drilled at an unorthodox gas well location 470 feet from the North line and 1665 feet from the East line (Unit B) of Section 30, Township 30 North, Range 4 West, NMPM, Rio Arriba County, New Mexico; and
- (b) Carson Well No. 5-M to be drilled at an unorthodox infill gas well location 700 feet from the South line and 415 feet from the East line (Unit P) of Section 30.

The E/2 of Section 30, being a standard 320-acre stand-up gas spacing and proration unit for both the Basin Dakota and Blanco-Mesaverde Pools, is to be dedicated to these two proposed wells.

Both applications have been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing these pools.

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox Basin-Dakota/Blanco-Mesaverde gas well locations for both the Carson Well Nos. 5 and 5-M are hereby approved.

Further, both wells and both spacing units will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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