

DATE IN 11-10-03	SUSPENSE 12-01-03	ENGINEER MES	LOGGED MS	RECEIVED PNE50-331458032
---------------------	----------------------	-----------------	--------------	-----------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NOV 10 2003

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

**OIL CONSERVATION
DIVISION**

Elkhorn #101

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling
☒ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Richard Corcoran
 Print or Type Name

Signature

District Landman
 Title

November 7, 2003
 Date



November 7, 2003

New Mexico Oil Conservation Division
Attn: Michael E. Stogner
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION
ELKHORN #101
1975' FNL & 1870' FEL
SECTION 29-T32N-R5W
RIO ARriba COUNTY, NEW MEXICO

Dear Mr. Stogner:

Energen Resources Corporation (Energen) proposed the drilling of the Elkhorn #101 at a legal location 1975' FNL & 1870' FEL of Section 29-T32N-R5W, Rio Arriba County, New Mexico in March of 2003.

Due to the extremely sensitive nature of the location to wild life the Bureau of Land Management (BLM) required that an environmental assessment (EA) covering the entire habitat area be done before an APD would be considered. Since the area in question also covers acreage in the Carson National Forest the Jicarilla Ranger District concurred that an EA would be required (see attached EA).

The EA was completed and resulted in the need to move our proposed well off of Quintana Mesa. The topography to the north is very rugged and obtaining access, even to a non standard location, is detrimental to wild life habitat and very challenging physically to construct. (see attached letter from BLM and topo map). Given the circumstances the best location we were able to find was 775' FNL and 250' FWL of Section 29-T32N-R5W.

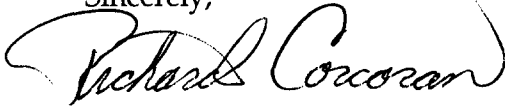
Energen hereby requests administrative approval for an unorthodox location for its Elkhorn #101 Fruitland Coal well under the provisions of NMOCDC Order R-8768-F. The well is located 775' FNL & 250' FWL of Section 29-T32N-R5W and will be dedicated to a proration unit consisting of the E/2 of said Section 29.

Energen operates all of the surrounding proration units except to the north, northwest and northeast, none of which are producing. All of Section 20 and the E/2 W/2 of Section 21 are owned by the USA, are unleased, and the BLM is unwilling to grant new leases on these properties. Energen is the Lessee of the W/2 W/2 of Section 21.

Since drilling operations are not allowed from December 1 through April 1 Energen has drilled the subject well and is presently cavitating it.

Attached is a well plat showing the dedicated acreage, a topographic plat of the area and a map showing offsetting operators or owners.

Sincerely,

A handwritten signature in cursive script, reading "Richard Corcoran". The signature is written in dark ink and is positioned below the word "Sincerely,".

Richard Corcoran
District Landman

RC/ga

Enclosures

1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-27450		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code	*Property Name ELK HORN		*Well Number 101
*GRID No. 162928	*Operator Name ENERGEN RESOURCES CORPORATION		*Elevation 6815'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	29	32N	5W		755	NORTH	2375	EAST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

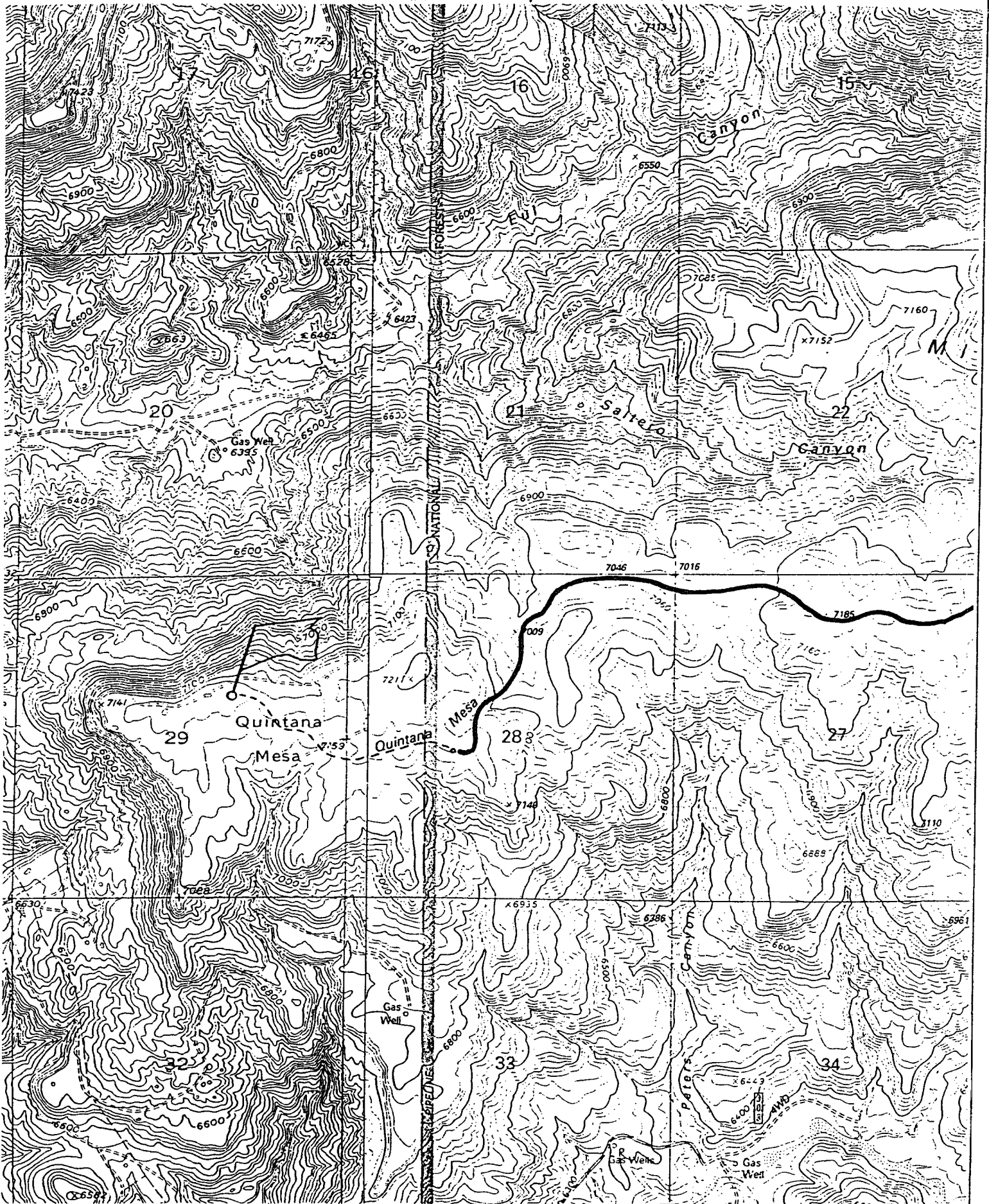
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320.0 Acres - (E/2)					¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div><p>¹⁶</p><p>5278.68' (see attached well file)</p></div>	<div><p>¹⁷ OPERATOR CERTIFICATION</p><p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p><p><i>Don Graham</i></p><p>Signature Don Graham</p><p>Printed Name Production Superintendent</p><p>Title 5-30-03</p><p>Date</p></div> <div><p>¹⁸ SURVEYOR CERTIFICATION</p><p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p><p>Date of Survey: APRIL 21, 2003</p><p>Signature and Seal of Professional Surveyor</p><div><p>JASON C. EDWARDS Certificate Number 15269</p></div></div>
---	--

ENERGEN RESOURCES CORPORATION .K HORN #101

1975' FNL & 1870' FEL, SECTION 29, T32N, R5W, N.M.P.M.
RIO ARRIBA COUNTY, NEW MEXICO



Township 32 North - Range 5 West

