

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



August 07, 2009

John Harrington
Landman
Energen Resources Corporation
2010 Afton Place
Farmington, New Mexico 87401

RE: **Cullins Federal Well No. 5 (API No. 30-039-24045)**
2150 feet FNL & 2150 feet FEL (Unit G) (Unorthodox)
NE/4 of Section 4, T-24 -N, R-3-W,
NMPM, Rio Arriba County, New Mexico

Administrative Order NSL-6065

Dear Mr. Harrington:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW0919849929**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on July 17, 2009 and

(b) the Division's records pertinent to COG's request.

Energen Resources Corporation, requests to re-complete its Cullins Federal Well No. 5 at an unorthodox South Blanco Pictured Cliffs gas well location as referenced above in Section 4, Township 24 North, Range 3 West, N.M.P.M., in Rio Arriba County, New Mexico.

The NE/4 of Section 4 will be dedicated to this well to form a standard 160-acre gas spacing and proration unit. Energen Resources Corporation intends to re-complete the well to test the South Blanco Pictured Cliffs Gas Pool (**72439**). This pool is governed by the Division's Statewide Rules and Regulations as amended by Division Order No. R-8170-H, which provide for gas wells on 160-acre spacing units to be located no closer than 660 feet to the outer boundary of the spacing unit.

It is our understanding that the well was initially drilled at a standard location with respect to the Lindrith Gallup-Dakota Gas Pool. Now as located, the well is at an



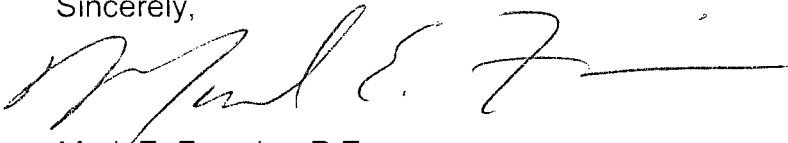
unorthodox location with respect to the South Blanco Pictured Cliff Gas Pool to which the well is to be re-completed.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC. It is our understanding that the offsetting acreage has interest ownership identical in all respects, therefore no notice of this application is required.

Pursuant to the authority granted under the provisions of Division Rules 19.15.15.13 NMAC, the above-described unorthodox South Blanco Pictured Cliffs Gas Pool location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', followed by a horizontal line.

Mark E. Fesmire, P.E.
Director

MEF/re

cc: New Mexico Oil Conservation Division – Aztec
Bureau of Land Management (BLM) - Farmington