



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

April 16, 2003

Lori Wrotenbery

Director

Oil Conservation Division

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

Administrative Order NSL-4859

Dear Mr. Corcoran:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on March 7, 2003 (*administrative application reference No. pKRV0-306927719*); and (ii) the Division's records in Santa Fe: all concerning Energen Resources Corporation's ("Energen") request for an exception to the well location requirements provided within 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, for the proposed Jicarilla "96" Well No. 5-C (**API No. 30-039-27311**), to be drilled at an unorthodox infill gas well location 660 feet from the South line and 2600 feet from the West line (Unit N) of Section 11, Township 26 North, Range 3 West, NMPM, Blanco-Mesaverde Pool (**72319**), Rio Arriba County, New Mexico.

The Blanco-Mesaverde gas production from this well is to be included within an existing standard 320-acre stand-up gas spacing and proration unit ("GPU") comprising the W/2 of Section 11 which is currently dedicated to Energen's: (i) Jicarilla "96" Well No. 5 (**API No. 30-039-06543**), located at a standard gas well location 990 feet from the South and West lines (Unit M) of Section 11; (ii) Jicarilla "96" Well No. 5-A (**API No. 30-039-21238**), located at a standard infill gas well location 1190 feet from the North line and 790 feet from the West line (Unit D) of Section 11; and (iii) Jicarilla "96" Well No. 5-B (**API No. 30-039-26587**), located at a standard infill gas well location 2240 feet from the North line and 1980 feet from the West line (Unit F) of Section 11.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing the Blanco-Mesaverde Pool.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Blanco-Mesaverde infill gas well location for the proposed Jicarilla "96" Well No. 5-C is hereby approved. Further, all four of the aforementioned Jicarilla "96" Wells No. 5, 5-A, 5-B, and 5-C, and existing 320-acre GPU will be subject to all existing rules, regulations, policies,

Administrative Order NSL-4859

Energen Resources Corporation

April 16, 2003

Page 2

and procedures applicable to prorated gas pools in Northwest, New Mexico and to the Blanco-Mesaverde Pool.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery / by MES".

Lori Wrotenbery
Director

LW/MES/kv

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