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2011 MAY 19 P 4:05

May 19, 2011

Ms. Florene Davidson  
New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

**Re: NMOCD Case No. 14654: In The Matter of The Application of Energen Resources Corp. for Exception to The Well Density Provisions of The Special Rules and Regulations for The Basin-Fruitland Coal Gas Pool to Authorize The Recompletion of Wells as Horizontal Lateral or Sidetrack Wells and for Simultaneous Dedication, Rio Arriba County, New Mexico**

Dear Ms. Davidson:

On behalf of Energen Resources Corporation, enclosed for filing is an original and one copy of Energen's Pre-Hearing Statement in the above case.

Very truly yours,

Karen Williams  
Assistant to J. Scott Hall

:kw  
Enclosure

280873

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STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

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IN THE MATTER OF THE APPLICATION OF ENERGEN  
RESOURCES CORPORATION FOR EXCEPTION TO THE  
WELL DENSITY PROVISIONS OF THE SPECIAL RULES  
AND REGULATIONS FOR THE BASIN-FRUITLAND  
COAL GAS POOL TO AUTHORIZE THE RECOMPLE-  
TION OF WELLS AS HORIZONTAL LATERAL OR  
SIDETRACK WELLS AND FOR SIMULTANEOUS  
DEDICATION, RIO ARRIBA COUNTY, NEW MEXICO

Case No. 14654

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by Energen Resources Corporation as required  
by the Oil Conservation Division.

**APPEARANCES**

APPLICANTS

Energen Resources Corporation  
2010 Afton Place  
Farmington, NM 87401

APPLICANT'S ATTORNEY

J. Scott Hall  
Montgomery & Andrews  
P.O. Box 2307  
Santa Fe, New Mexico 87504-2307  
(505) 986-2646

OPPONENT

None.

OPPONENT'S ATTORNEY

## STATEMENT OF THE CASE

### APPLICANT

Energen Resources seeks an order authorizing the re-entry of a vertical well for the drilling of additional horizontal lateral or sidetrack wells in the Fruitland Coal formation within three existing standard spacing and proration units as follows:

#### Township 32 North, Range 5 West

##### Section 32: N/2

State Bancos No. 100-S (API No. 3003927273)

720' FSL & 1180' FWL (surface location)

760' FNL & 760' FEL (bottom-hole location)

##### Section 29: W/2

Elkhorn No. 100 (API No. 3003927337)

725' FSL & 800' FWL (surface location)

760' FNL & 1880' FWL (bottom-hole location)

#### Township 32 North, Range 6 West

##### Section 25: E/2

San Juan 32-5 No. 105-S (API No. 3003927265)

1670' FNL & 1340' FEL (surface location)

600' FNL & 100' FEL (bottom-hole location)

Energen also seeks to simultaneously dedicate each of these units to the proposed horizontal sidetrack lateral well and to the existing initial well and infill well currently producing from the Fruitland Coal formation.

### OPPONENT

None.

