

NORMAN L. GILBREATH AND  
LORETTA E. GILBREATH

P. O. Box 208  
Aztec, NM 87410-0208

RECEIVED OCD

2014 FEB 17 P 3: 11

February 13, 2014

Jami Bailey, Director  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87501

Re: Application of Energen Resources Corporation  
to Amend Compulsory Pooling Order No. R-10154  
NMOCD Case No. 15072  
San Juan County, New Mexico

Dear Ms. Bailey:

Enclosed are the original and one copy of our Response to the Application by Energen Resources Corporation to Amend Compulsory Pooling Order No. R-10154 that was filed in NMOCD Case No. 15072.

Please file our original Response in this Case and endorse the copy with the filing information, and return the endorsed copy of the Response to us in the enclosed pre-stamped and pre-addressed envelope.

We will not be attending the hearing for this case due to health issues. We request that a NMOCD staff member or the hearing examiner read our Response into the record when the hearing for this case is held.

Thank you for your assistance in this matter.

Norman L. Gilbreath by  
by Loretta E. Gilbreath,  
Agent and Attorney-in-Fact,

Loretta E. Gilbreath

VIA First Class Mail, Postage Prepaid

Enclosures

NMOCD  
Page Two  
February 13, 2014

cc w/encl.

J. Scott Hall, Esq. and  
Sharon T. Shaneen, Esq.  
Montgomery & Andrews, P. A.  
P. O. Box 2307  
Santa Fe, NM 87504-2307

Stephen D. Ingram, Esq.  
Cavin & Ingram, P. A.  
P. O. Box 1216  
Albuquerque, NM 87103-1216

J. Edward Hollington, Esq.  
J. Edward Hollington & Associates  
708 Marquette Avenue NW  
Albuquerque, NM 87102-2035

Richard T. C. Tully, Esq.  
Tully Law Firm, P. A.  
P. O. Box 268  
Farmington, NM 87499-0268

Andrew J. Cloutier, Esq.  
Hinkle Hensley Shanor & Martin LLLP  
P. O. Box 10  
Roswell, NM 88202-0010

Erin K. Murphy, Esq.  
Bjork Lindley Little, PC  
1600 Stout Street, Suite 1400  
Denver, CO 80202-3110

Kathy J. Belcher, Administrator  
Gilbreath Energy, LLC  
P. O. Box 208  
Aztec, NM 87410-0208

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

RECEIVED OGD  
2014 FEB 17 P 3:14

**IN THE MATTER OF THE APPLICATION OF  
ENERGEN RESOURCES CORPORATION TO  
AMEND COMPULSORY POOLING ORDER NO.  
R-10154, SAN JUAN COUNTY, NEW MEXICO**

**CASE NO. 15072**

**RESPONSE TO APPLICATION BY  
NORMAN L. GILBREATH AND LORETTA E. GILBREATH**

Norman L. Gilbreath and Loretta E. Gilbreath respond to the Application by Energen Resources Corporation for an order amending compulsory Order No. R-10154, which pooled all interests in the Fruitland Coal Formation (Basin-Fruitland Coal Gas Pool (71629) underlying the S/2 of Section 19, Township 30 North, Range 11 West, N.M.P.M., San Juan County, New Mexico, as follows:

1. Energen Resources Corporation is the current operator of the Flora Vista 19 No. 1 Well and the Flora Vista 19 No. 2 Well that were drilled and completed in the Fruitland Coal Formation.
2. The S/2 of Section 19, Township 30 North, Range 11 West, N.M.P.M., San Juan County, New Mexico is dedicated to these two Flora Vista Wells.
3. Order No. R-10154 was issued by the New Mexico Oil Conservation Division ("NMOCD") on July 19, 1994, which Order compulsory pooled certain uncommitted interests in the S/2 of Section 19, Township 30 North, Range 11 West, N.M.P.M., San Juan County, New Mexico prior to the drilling of the Flora Vista 19 No. 1 Well.

4. Our oil and gas interests in the Fruitland Coal Formation underlying the SE/4 of Section 19, Township 30 North, Range 11 West, N.M.P.M., San Juan County, New Mexico were compulsory pooled by Order No. R-10154.

5. Our oil and gas interests that were compulsory pooled by Order No. R-10154 comprised approximately 48.60% (158.56 acres/326.26 acres) of the working interests in the Fruitland Coal Formation underlying the S/2 of Section 19, Township 30 North, Range 11 West, N.M.P.M., San Juan County, New Mexico.

6. One of our oil and gas leases that was compulsory pooled in the SE/4 of Section 19, Township 30 North, Range 11 West, N.M.P.M., San Juan County, New Mexico was an Oil and Gas Lease dated August 4, 1972 between Frank A. King and Paula S. King, husband and wife, "Lessors", and Rodney P. Calvin, "Lessee" ("King Lease").

7. The King Lease contains 18.37 acres and comprises approximately 5.63% (18.37 acres/326.26 acres) of the total working interests in the S/2 of Section 19, Township 30 North, Range 11 West, N.M.P.M., San Juan County, New Mexico.

8. Frank A. King and Paula S. Elmore formerly known as ("f.k.a."). Paula S. King have recently alleged that the King Lease has terminated, and they filed a law suit September, 2013 in the United States District Court for the District of New Mexico in a law suit entitled "Frank A. King and Paula S. Elmore f/k/a Paula S. King vs. Norman L. Gilbreath et al., No. 1:13-cv-00862-RHS-LAM, seeking, among other claims, the termination of the King Lease.

9. We obviously deny the claims and allegations that have been made in the above-described law suit.

10. The subject Application filed by Energen Resources Corporation requesting an order amending compulsory Order No. R-10154 has been prematurely filed as there has not been a final judicial determination the King Lease has been forfeited, canceled or terminated in the above-described law suit.

11. However, we have no objection if the NMOCD desires to issue an amendment to Order No. R-10154 that retroactively compulsory pools the oil and gas interests of Frank A. King and Paula S. Elmore f.k.a. Paula S. King in the unlikely event the United States District Court enters a final judicial determination that that the King Lease has been forfeited, canceled or terminated.

DATED: February 13, 2014

*Norman L. Gilbreath  
by Loretta E. Gilbreath  
agent and attorney in fact*

Norman L. Gilbreath by  
by Loretta E. Gilbreath,  
Agent and Attorney-in-Fact  
P.O. Box 208  
Aztec, NM 87410-0208

*Loretta E. Gilbreath*  
Loretta E. Gilbreath

I hereby certify that I mailed a copy of the foregoing Response to Application to the following parties or attorneys on February 13, 2014 by first class mail, postage prepaid:

J. Scott Hall, Esq. and  
Sharon T. Shaneen, Esq.  
Montgomery & Andrews, P. A.  
P. O. Box 2307  
Santa Fe, NM 87504-2307

Stephen D. Ingram, Esq.  
Cavin & Ingram, P. A.  
P. O. Box 1216  
Albuquerque, NM 87103-1216

J. Edward Hollington, Esq.  
J. Edward Hollington & Associates  
708 Marquette Avenue NW  
Albuquerque, NM 87102-2035

Andrew J. Cloutier, Esq.  
Hinkle Hensley Shanor & Martin LLLP  
P. O. Box 10  
Roswell, NM 88202-0010

Kathy J. Belcher, Administrator  
Gilbreath Energy, LLC  
P. O. Box 208  
Aztec, NM 87410-0208

  
Loretta E. Gilbreath

Richard T. C. Tully, Esq.  
Tully Law Firm, P. A.  
P. O. Box 268  
Farmington, NM 87499-0268

Erin K. Murphy, Esq.  
Bjork Lindley Little, PC  
1600 Stout Street, Suite 1400  
Denver, CO 80202-3110