STATE OF NEW MEXICO

DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF ENERGEN RESOURCES CORPORATION TO AMEND ORDER NO. R-10448 TO AUTHORIZE THE INJECTION OF WATER FOR PRESSURE MAINTENANCE OPERATIONS FOR THE WEST LOVINGTON-STRAWN UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 14356

AFFIDAVIT

STATE OF NEW MEXICO)

) ss.

COUNTY OF SANTA FE)

J. SCOTT HALL, attorney and authorized representative of Energen Resources Corporation, the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 19.15.4.9 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice, as shown by Exhibit "A" attached hereto, and that pursuant to Rule 19.15.4.9, notice has been given at the correct addresses or last known addresses provided by such rule.

J. SCOTT HALL

SUBSCRIBED AND SWORN to before me this 2nd day of September, 2009.

Notary Public

My Commission Expires:

March 3rd, 2012

NMOCD Case No. 14356 September 3, 2009 Energen Exhibit ______

EXHIBIT A

New Mexico State Land Office Oil, Gas and Minerals Division P.O. Box 1148 Santa Fe, NM 87504-1148 Mr. Dan Field P.O. Box 1105 Lovington, New Mexico 88260



J. SCOTT HALL

Cell: (505) 670-7362

Email: shall@montand.com

Reply To: Santa Fe Office www.montand.com

July 14, 2009

Mr. Dan Field P.O. Box 1105 Lovington, New Mexico 88260 CERTIFIED MAIL/
RETURN RECEIPT REQUESTED

Re: NMOCD Case No. 14365: Amended Application of Energen Resources Corporation to Amend Order No. R-10448 to Authorize the Injection of Water for Pressure Maintenance Operations for the West Lovington Strawn Unit, Lea County, New Mexico

Dear Mr. Field:

This will advise that Energen Resources Corporation has filed an Amended Application with the New Mexico Oil Conservation Division seeking approval to utilize the West Lovington Strawn Unit Well No. 8-R for the injection of water into the Strawn formation in connection with pressure maintenance operations in the West Lovington Strawn Unit. The well is located 1980' from the south line and 660' from the west line in the NW/4 SW/4 (Unit L) of Section 34, T-15-S, R-35-E, NMPM, in Lea County, New Mexico.

A copy of the Amended Application is enclosed.

This application will be set for hearing before a Division Examiner on August 6, 2009, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties

REPLY TO:

325 Paseo de Peralta Santa Fe, New Mexico 87501 Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307 Santa Fe, New Mexico 87504-2307 6301 Indian School Road NE, Suite 400 Albuquerque, New Mexico 87110 Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210 Albuquerque, New Mexico 87176-6210 Mr. Dan Field July 14, 2009 Page 2

with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 1211.

Very truly yours,

MONTGOMERY & ANDREWS, P.A.

1. I win real

J. Scott Hall

JSH:kw

Enclosure

00108580

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X
1. Article Addressed to: Mr. Dan Field P.O. Box 1105	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
Lovington, NM 88260	3. Service Type Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D. 4. Restricted Delivery? (Extra Fee) Yes
2. 7006 2150 0002 3591 6818 013303-903	
PS Form 3811, February 2004 Domestic Retu	urn Receipt 102595-02-M-1540

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J. Scott Hall Montgomery & Andrews, P.A. P. O. Box 2307 Santa Fe, NM 87504

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

2009 JUL 14 A 9:53

IN THE MATTER OF THE APPLICATION OF ENERGEN RESOURCES CORPORATION TO AMEND ORDER NO. R-10448 TO AUTHORIZE THE INJECTION OF WATER FOR PRESSURE MAINTENANCE OPERATIONS FOR THE WEST LOVINGTON-STRAWN UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 14356

AMENDED APPLICATION

ENERGEN RESOURCES CORPORATION, ("Energen"), through its undersigned counsel, Montgomery and Andrews, P.A. (J. Scott Hall, Esq.), applies pursuant to 19.15.26.8 NMAC for an order amending Order No. R-10448 authorizing the injection of water for pressure maintenance operations in the West Lovington Strawn Unit, West Lovington-Strawn Pool (40875) in Lea County, New Mexico. In support of its Application, Energen states:

1. Applicant is the successor Operator of the West Lovington Strawn Unit ("WLSU") in the West Lovington-Strawn Pool (40875) underlying the following lands in Lea County, New Mexico:

TOWNSHIP 15 SOUTH, RANGE 35 EAST NMPM

Section 28: S/2 S/2 Section 32: E/2 E/2 Section 33: All

Section 34: S/2 NE/4, W/2, and SE/4

Section 35: W/2 SW/4

TOWNSHIP 16 SOUTH RANGE 35 EAST NMPM

Section 1: Lots 1 through 11 and the N/2 and SE/4 equivalents of Lot 12.

TOWNSHIP 16 SOUTH RANGE 36 EAST NMPM

Section 5: Lots 3, 4 and 5

Section 6: Lots 1, 2, 6, 7 and 8

2. In October 1995, under the authority of Division Order No. R-10448 issued in Case No. 11194 on August 29, 1995, the Unit Operator instituted the West Lovington Strawn Unit pressure maintenance project by the commencement of gas injection operations within the WLSU. Pressure maintenance operations continue to facilitate the efficient recovery of hydrocarbon resources. Energen seeks authorization to utilize the injection of water in order to maintain ongoing enhanced recovery operations.

3. Energen operates the following well in connection with unit operations:

West Lovington Strawn Unit Well No. 8-R

API No. 30-025-32291-01 1980' FSL and 660' FWL (Unit L) Section 34 T-15-S, R-35-E, NMPM

- 4. The WLSU No. 8-R is drilled to a total depth of 11,887' and originally operated as a unit producer. In connection with unit pressure maintenance operations, Applicant proposes to convert and utilize the well for injection of water through a closed system into the Strawn formation, West Lovington Strawn Pool, through perforations at depths of 11,520' to 11,592'.
- 5. Injection operations through the well will be conducted at an anticipated average daily injection pressure of 850 psi with a maximum surface

injection pressure of 1,950 psi or as permitted by the Division. Applicant proposes injection of water at average daily rates of approximately 4,000 bbls and at maximum daily rates of approximately 5,000 bbls. The source of the injected flueds will be produced water from area Strawn formation wells that have been drilled and are scheduled to be drilled in the WLSU.

6. Applicant's proposed injection operation can be conducted in a safe and responsible manner without causing waste, impairing correlative rights or endangering fresh water, public health or the environment.

WHEREFORE, Applicant requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division on August 6, 2009 and that after notice and hearing as required by law, the Division enter its Order approving the conversion of the Energen WLSU Well No. 8R for the injection of water into the Strawn formation at the intervals and at the pressures, volumes and rates indicated, and making such other and further provisions as the Division determines appropriate.

Montgomery and Andrews, P.A.

By:

J. Scott Hall, Esq.

Post Office Box 2307

Santa Fe, New Mexico 87504

(505) 982-3873

(505) 982-4289

Attorneys for Energen Resources Corporation

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