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

## IN THE MATTER OF THE APPLICATION OF ENERGEN RESOURCES CORPORATION FOR COMPULSORY POOLING, RIO ARRIBA COUNTY, NEW MEXICO.

CASE NO. 14424

### 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.

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J. SCOTT HALL

SUBSCRIBED AND SWORN to before me this 3rd day of February, 2010.

**Notary Public** 

My Commission Expires: 05/23/13 00159818

#### EXHIBIT 2

# EXHIBIT A

Brandon Troxell, Shane Troxell, Trey Troxell, and Jed Troxell c/o Mildred Burke 1121 Krista Court Ridgecrest, CA 93555-3005

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J. SCOTT HALL Cell: (505) 670-7362 Email: shall@montand.com Reply To: Santa Fe Office www.montand.com

January 12, 2010

Brandon Troxell, Shane Troxell, Trey Troxell and Jed Troxell c/o Mildred Burke 1121 Krista Court Ridgecrest, CA 93555-3005

CERTIFIED MAIL RETURN RECEIPT REQUESTED

### Re: NMOCD Case No. 14424: Application of Energen Resources Corporation for Compulsory Pooling, Rio Arriba County, New Mexico

Dear Sir or Madam:

This will advise that Energen Resources Corporation ("Energen") has filed an Application with the New Mexico Oil Conservation Division for an order for the compulsory pooling of all interests in the Fruitland Coal formation underlying irregular Section 9, Township 32 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, forming a 273.12 acre spacing and proration unit to be dedicated to the Carracas 9 B well No. 16-H. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Energen Resources Corporation as operator and a charge for risk involved in drilling the well. A copy of the Application is enclosed.

This application will be set for hearing before a Division Examiner on February 4, 2010, 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

**EXHIBIT A** 

Brandon Troxell, Shane Troxell, Trey Troxell and Jed Troxell January 12, 2010 Page 2

with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

MONTGOMERY & ANDREWS, P.A.

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J. Scott Hall

JSH:kw Enclosure

 cc: Dave Poage

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

### IN THE MATTER OF THE APPLICATION OF ENERGEN RESOURCES CORPORATION FOR COMPULSORY POOLING, RIO ARRIBA COUNTY, NEW MEXICO

## APPLICATION

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CASE NO

ENERGEN RESOURCES CORPORATION by its undersigned attorneys, Montgomery and Andrews, P.A., (J. Scott Hall) hereby makes application pursuant to NMSA 1978 Section 70-2-17 (1995) for an order pooling all interests in the Fruitland Coal formation, Basin-Fruitland Coal Gas Pool, underlying all of irregular Section 9, Township 32 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, to form a 273.12-acre ± spacing and proration unit. Applicant would show the Division:

1. Applicant owns certain working interests in and under Section 9 and has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to its Carracas 9 B Well No. 16-H drilled to a depth sufficient to test the Fruitland Coal Formation, Basin-Fruitland Coal Gas Pool (71629), underlying Section 9. Pursuant to the provisions of Order No. R-13119, the well will be directionally drilled from an unorthodox surface location 2043 feet from the South line and 220 feet from the West line in Section 9, penetrating the Fruitland Coal formation at a point 1,400 feet from the South line and 760 feet from the West line of Section 9, with a standard bottom hole location 1,400 feet from the South line and 760' from the East line of Section 9, Township 32 North, Range 4 West, NMPM, Rio Arriba County, New Mexico. 3. Applicant has been unable to obtain leases or voluntary agreement for pooling or farmout from certain other interest owners in the above-referenced formation underlying Section 9.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled and Applicant should be designated operator of the well.

6. The pooling of interests and approval of the unorthodox well location will afford the Applicant the opportunity to produce its just and equitable share of hydrocarbons underlying the spacing unit, will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

WHEREFORE Applicant requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division on February 4, 2010 and that after notice and hearing as required by law, the Division enter its Order approving the unorthodox well location and pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges and providing for adjustments to such rates in accordance with accepted COPAS accounting procedures, and imposing a 200% risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well, and making such other and further provisions as maybe proper in the premises.

MONTGOMERY & ANDREWS, P.A.

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By:

J. Scott Hall Attorneys for Energen Resources Corporation Post Office Box 2307 Santa Fe, New Mexico 87504-2307 (505) 982-3873

Aster-SENDER: COMPLETE THIS SECTION COMPLETE THIS SECTION ON DELIVERY Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Agent Print your name and address on the reverse □\_Addressee so that we can return the card to you. C. Date of Delivery Attach this card to the back of the mailpiece. Ł or on the front if space permits. ferent from item 17 Vd 1. Article Addressed to elivery address below: -2150 Jed L Trey Brandon, Mildred Bur 112/ Krista ( SEVICE PUPE Ridgecrest, CA 9355 Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D. 4. Restricted Delivery? (Extra Fee) C Yes 2. Article Number 6986 (Transfer from service label) 7006 2150 0002 3591 PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540 -----U.S. Postal Service CERTIFIED MAILS RECEIPT л 6966 ail Only: No Insurance Coverage Provided) 591 18 Od8 44 \$ Postage m 2.80 Certified Fee 2000 Postmark WT Return Receipt Fee (Endorsement Required) 2.30 Restricted Delivery Fee (Endorsement Required) 2750 5.54 \$ Total Postage & Fees 7006 Sent To Brandon, Shane, Trey & Jed Truxel Street, Apt. No.: or PO Box No. C/U Mittred Burke, 1121 Krista Ridgecrest, CA 93555-3005 City, State