

Energen Resources
Ex. No. 1
NMOCD Case No. 12728
September 20, 2001

July 31, 2001

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION
AND NON-STANDARD SPACING UNITS
SAN JUAN 32-5 UNIT #111 WELL (FRUITLAND COAL)
1005' FNL AND 740' FWL SECTION 31
SAN JUAN 32-5 UNIT #112 (FRUITLAND COAL)
410' FSL AND 150' FEL SECTION 19
T32N-R5W
RIO ARRIBA COUNTY, NEW MEXICO

Dear Mr. Stogner:

Energen Resources Corporation (Energen) requests administrative approval for unorthodox locations and non-standard spacing units for its San Juan 32-5 Unit #111 and #112 wells under the provisions of New Mexico Oil Conservation Division (NMOCD) Order R-8768-B.

The western tier of sections in T32N-R5W are irregular in size with sections 18, 19, 30 and 31 being committed to the San Juan 32-5 Unit. The acreage in each section is as follows:

Section 18: Lot 1 (44.48 acres), Lot 2 (44.13 acres), Lot 3 (44.15 acres), Lot 4 (44.41 acres) totaling 177.17

Section 19: Lot 1 (44.50 acres), Lot 2 (44.52 acres), Lot 3 (44.52 acres), Lot 4 (44.54 acres) totaling 178.08

Section 30: Lot 1 (44.22 acres), Lot 2 (43.59 acres), Lot 3 (43.30 acres), Lot 4 (43.30 acres) totaling 174.41

Section 31: Lot 1 (43.11 acres), Lot 2 (42.73 acres), Lot 3 (42.61 acres), Lot 4 (42.73 acres) totaling 171.18

Under Division Order No. 4-1714 dated July 6, 1960 the NMOCD authorized a gas spacing and proration unit for the Blanco Mesaverde Formation comprising all of irregular Sections 30 and 31, T32N-R5W, Rio Arriba County, New Mexico containing 345.59 acres, for the San Juan 32-5 Unit #9 well. By Division Order No. R-1722 dated 7-21-60 the same gas spacing unit was dedicated to the Basin Dakota Pool for the San Juan 32-5 Unit #9 well. Ultimately three (3) additional wells were drilled in this proration unit, two (2) that tested the Mesaverde and Dakota, being the San Juan 32-5 Unit #'s 9M and 9R wells, and a stand alone Mesaverde, the San Juan 32-5 Unit #9C.

Energen is making plans to drill the San Juan 32-5 Unit #111 Fruitland coal well at a location 1005' FNL and 740' FWL of Section 31-T32N-R5W, Rio Arriba County, New Mexico. Approval of a non-standard proration unit for the Fruitland Coal formation consisting of all of Section 30 and 31, containing 345.59 acres is requested. Further, although our proposed location is legal from a footage perspective, since the section consists of four (4) lots and our proposed location is not in the "NE/4" or "SW/4" designation as called for in Rule 7 of Order R-8768-B; if an unorthodox location is required, it is hereby requested.

Under Division Order No. R-2319 dated October 3, 1962 the NMOCD authorized an unorthodox location and non-standard proration unit for the Blanco Mesaverde and Basin Dakota gas pools

Administrative Approval of Unorthodox Location
and non-standard spacing units
San Juan 32-5 Unit #111
San Juan 32-5 Unit #112
July 31, 2001

comprising all of irregular Sections 18 and 19, T32N-R5W, NMPM, Rio Arriba county, New Mexico, containing 355.25 acres in conjunction with drilling the San Juan 32-5 Unit #1X well. Subsequently Energen drilled the San Juan 32-5 Unit #1R Mesaverde well 455' FSL and 1,275' FEL of Section 19-T32N-R5W.

Energen is making plans to drill its San Juan 32-5 Unit #112 Fruitland Coal well at a location 410' FSL and 1,320' FEL of Section 19-T32N-R5W, Rio Arriba County, New Mexico. Approval of a non-standard proration unit for the Fruitland Coal formation consisting of all of Section 18 and 19, containing 355.25 acres is requested. Further our proposed location is not in the NE/4 or SW/4 of Section 19 and is located closer than 660' from the section line, requiring we request an unorthodox location designation.

As section 19 is 1,470' wide and the terrain is extremely rough there are very limited possibilities for a well site. Consequently we intend to locate this well on the same pad as the San Juan 32-5 Unit #1R which we drilled last year. Energen was required by the Bureau of Land Management to move the #1R well to its location to minimize cut and fill and to reduce visual impact of the location, which was approved by the NMOCD under order NSL-4482 (NSP) on July 6, 2000.

For the forgoing reasons Energen Resources Corporation respectfully requests Administrative approval of nonstandard spacing units and unorthodox locations for the above described wells.

A copy of this application is being submitted to all offset operators or interest owners by certified mail with a request that they furnish your office in Santa Fe with a Waiver of Objection.

Attached is a well location plat showing acreage, a topographic plat of the area and a map showing all offsetting operators.

Sincerely,



Richard P. Corcoran
District Landman

RPC/ga

Enclosures

cc: NMOCD-Aztec, BLM-Farmington, Offset Operators

IN	SUSPENSE	ENGINEER	LOGGED	TYPE
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
- [X] NSL [X] NSP [] DD [] SD

Check One Only for [B] and [C]

- [B] Commingling - Storage - Measurement
- [] DHC [] CTB [] PLC [] PC [] OLS [] OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
- [] WFX [] PMX [] SWD [] IPI [] EOR [] PPR

NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] [] Working, Royalty or Overriding Royalty Interest Owners
- [B] [X] Offset Operators, Leaseholders or Surface Owner
- [C] [] Application is One Which Requires Published Legal Notice
- [D] [] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] [] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] [] Waivers are Attached

INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

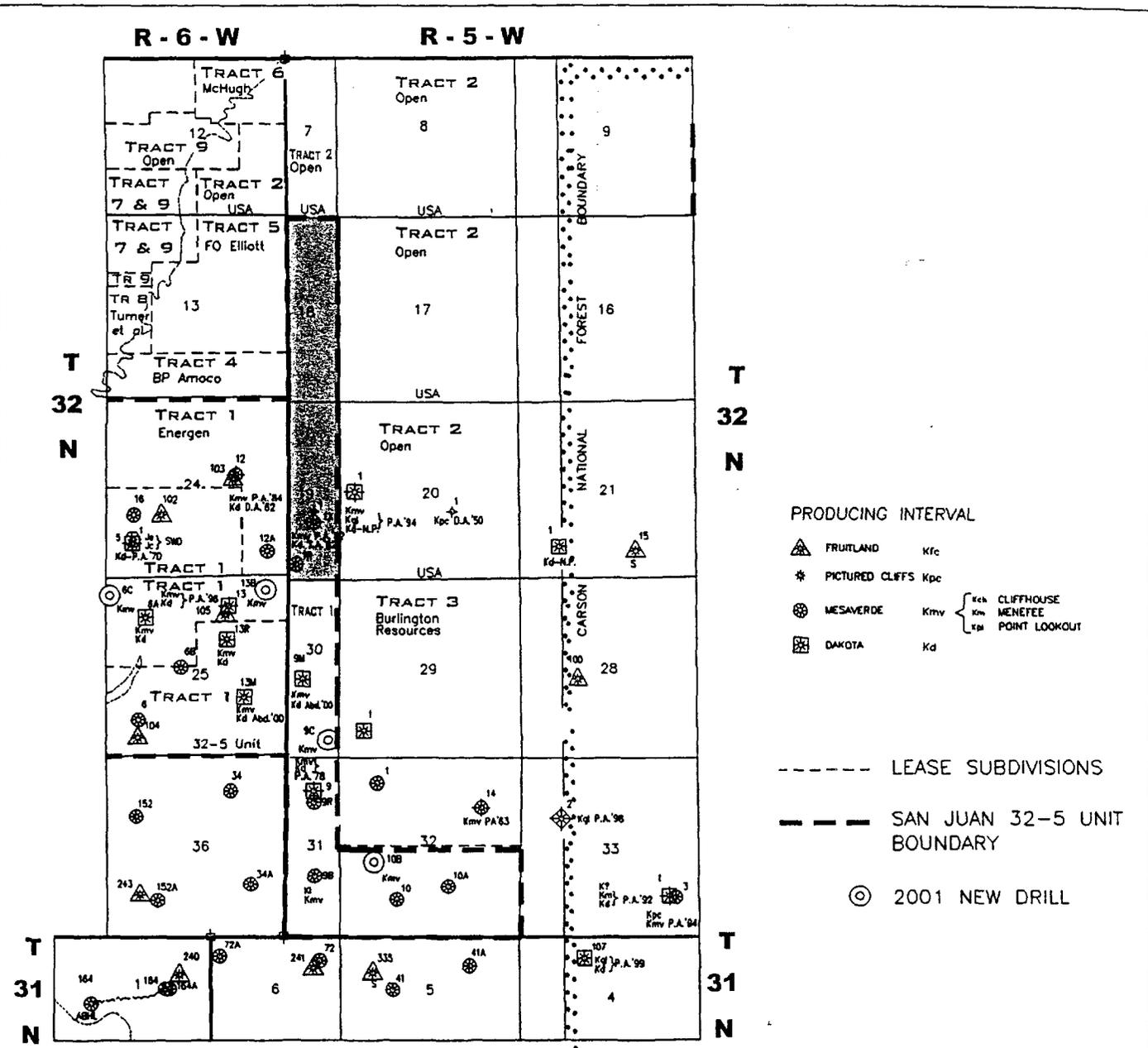
Richard P. Corcoran
Name or Type Name

Richard Corcoran
Signature

District Landman
Title

7-31-01
Date

Sp. T. 22-516: #110



- PRODUCING INTERVAL**
- ▲ FRUITLAND Kfc
 - ★ PICTURED CLIFFS Kpc
 - MESAVERDE Kmv
 - ↳ Kch CLIFFHOUSE
 - ↳ Ksm MENETEE
 - ↳ Kpm POINT LOOKOUT
 - DAKOTA Kd

- - - - - LEASE SUBDIVISIONS
- — — — — SAN JUAN 32-5 UNIT BOUNDARY
- ⊙ 2001 NEW DRILL

TRACT 1 Energen Resources Corporation	All: Sec. 30, T32N-R5W All: Sec. 24 & 25, T32N-R6W
TRACT 2 Open/BLM	All: Sec. 7, 8, 17, & 20, T32N-R5W NE SE, S/2 SE: Sec. 12, T32N-R6W
TRACT 3 Burlington Resources	All: Sec. 29, T32N-R5W
TRACT 4 BP Amoco	S/2 S/2: Sec. 13, T32N-R6W
TRACT 5 F.O. Elliott	NE/4, N/2 SE, SE NW, NE SW: Sec. 13, T32N-R6W
TRACT 6 McHugh Companies	NE/4: Sec. 12, T32N-R6W
TRACT 7 T.H. McElvain	S/2 SW/4: Sec. 12, N/2 NW: Sect.13 T32N-R6W
TRACT 8 J. Glenn Turner, et al	S/2 SW/4 NW/4, S/2 N/2 SW NW, NWSW: Sect.13 T32N-R6W
TRACT 9 Unleased Mineral Owners	SW, NW SE: Sec. 12, N/2 NW/4, N/2 N/2 SW/4 NW/4: Sec. 13, T32N-R6W

ENERGEN RESOURCES CORPORATION
2198 Bloomfield Hwy
Farmington, NM 87401

OFFSET OPERATOR/OWNERS

32

SAN JUAN 32-5 UNIT #112 WELL

410' FSL & 1320' FEL, SEC. 19, T32N-R5W

RIO ARRIBA CO., NEW MEXICO

June, 2001 SCALE: N.T.S.

Energen Resources Corporation

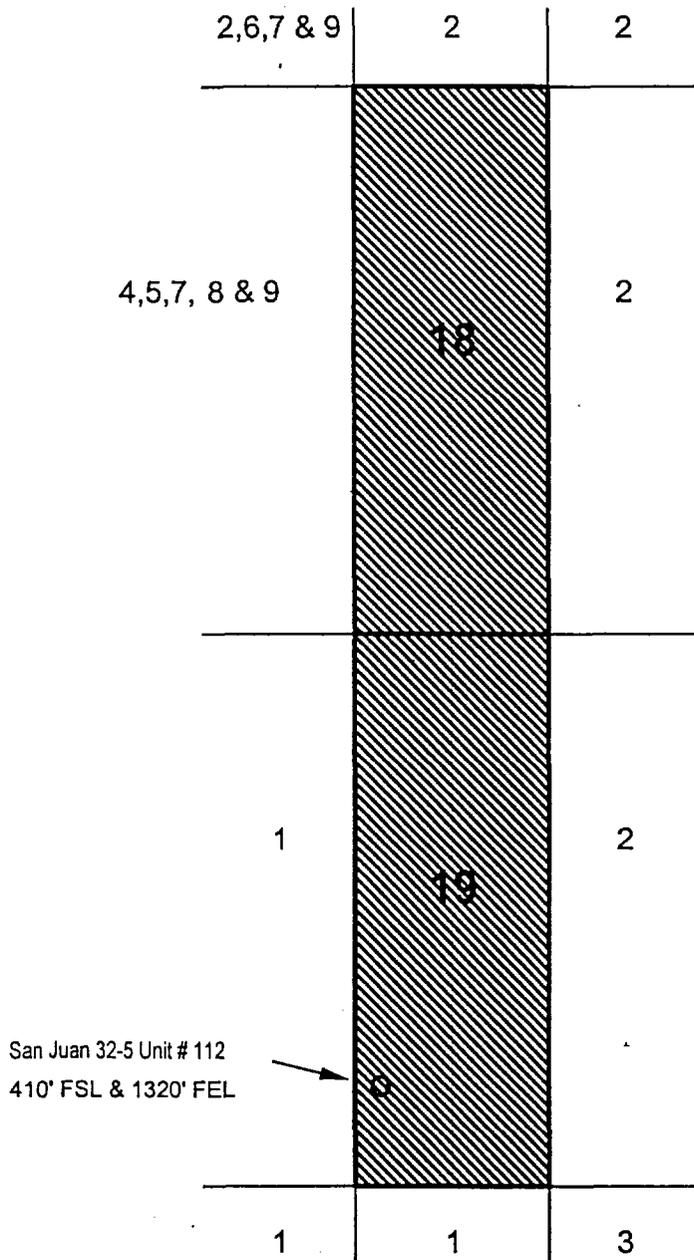
OFFSET OPERATOR \ OWNER PLAT

San Juan 32-5 Unit #112

Fruitland Coal Formation

Township 32 North - Range 5 West

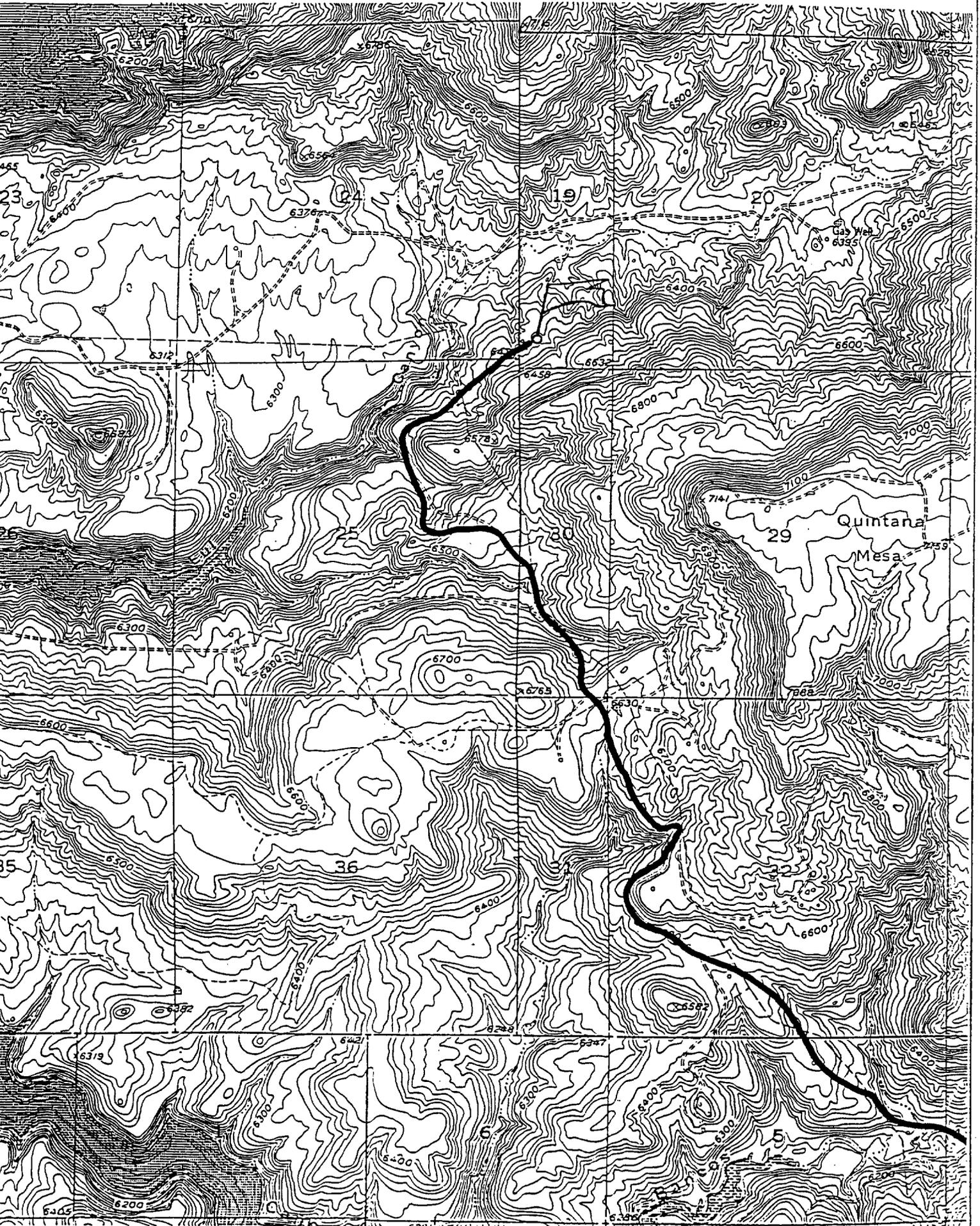
All of Sections 18 and 19, containg 355.25 acres more or less



1.	Energen Resources Corp.,
2.	Open / Breau of Land Management
3.	Burlington Resources
4.	BP - Amoco
5.	Elliott Trust
6.	McHugh Companies
7.	T. H. McElvain Oil and Gas
8.	J Glenn Turner et al
9.	Unleased Mineral Owners

ENERGEN REFINURCES CORPORATION SAN JUAN 32-5 UNIT #112

410' FSL & 1320' FEL, SECTION 19, T32N, R5W, N.M.P.M.
RIO ARRIBA COUNTY, NEW MEXICO



ict I
x 1920, Hobbs, NM 86241-1980

ict II
rwer DD, Artesia, NM 88211-0719

ict III
Rio Brazos Rd., Aztec, NM 87410

ict IV
x 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

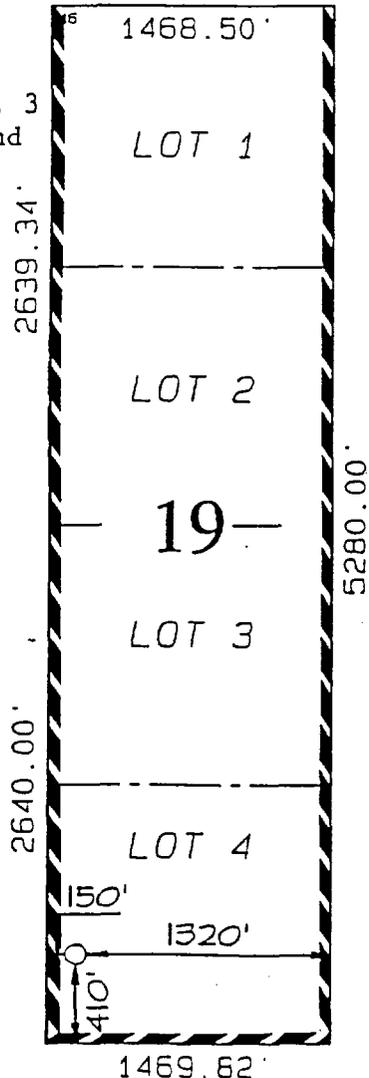
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 71629		*Pool Name Basin Fruitland Coal					
Property Code		*Property Name SAN JUAN 32-5 UNIT						*Well Number 112	
*OGRID No. 162928		*Operator Name ENERGEN RESOURCES CORPORATION						*Elevation 6405'	
10 Surface Location									
*Lot no. P	Section 19	Township 32N	Range 5W	Lot Ion	Feet from the 410	North/South line SOUTH	Feet from the 1320	East/West line EAST	County RIO ARRIBA
11 Bottom Hole Location If Different From Surface									
*Lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County
*Acres 355.25					13 Joint or Infill	14 Consolidation Code	15 Order No.		

ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

cludes Lots 1, 2, 3
1 4 of Sec. 19 and
cs 1, 2, 3 and
of Sec. 18



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Gary Brink
Signature

Gary Brink
Printed Name

Production Superintendent
Title

9/20/01
Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

SEPTEMBER 12, 2000
Date of Survey

Signature and Seal



Certificate No. 6857