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MS

KELLAHIN & KELLAHIN
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W. Thomas Kellahin
New Mexico Board of Legal
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February 28, 2003

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HAND DELIVERED

Ms. Lori Wrotenbery, Director
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED
FEB 28 2003
Oil Conservation Division

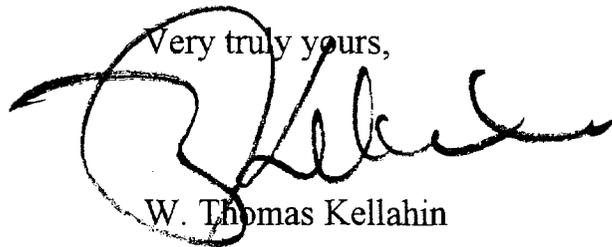
Re: Administrative Application of Energen Resources Corporation
for approval of a unorthodox gas well location for its
Jicarilla "98" Well No. 12-A, Unit N,
SW/4 dedication, Section 18
T26N, R3W, Rio Arriba County, New Mexico
NMOCD Case 12857 Order R-11848 dated 10/25/02

(30-039-27312)

Dear Ms. Wrotenbery:

On behalf of Energen Resources Corporation, please find enclosed our referenced application that is being filed in accordance with Division Rule 104.D(2)(b)). This location is 478.44 feet from the east boundary of the 160-acre spacing unit.

Very truly yours,



W. Thomas Kellahin

CC: Energen Resources Corporation
Attn: Rick Corcoran

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

**APPLICATION OF ENERGEN RESOURCES
CORPORATION FOR APPROVAL OF AN
UNORTHODOX GAS WELL LOCATION
RIO ARRIBA COUNTY, NEW MEXICO**

ADMINISTRATIVE APPLICATION

Comes now Energen Resources Corporation (“Energen”) and by and through its attorneys, Kellahin & Kellahin, and in accordance with Division General Rule 104.F, applies to the New Mexico Oil Conservation Division (“Division”) for approval of an unorthodox gas well location for its Jicarilla “98” Well No. 12-A, a proposed Pictured Cliffs gas well located 1160 feet FSL and 1920 feet FWL (Unit N) of Irregular Section 18, T26N, R3W, Rio Arriba County, New Mexico to be dedicated to a standard 160-acre gas spacing unit consisting of the SW/4 of this section.

In support, Energen states:

1. Energen is the proposed operator of the Jicarilla “98” Well No. 12-A to located 1160 feet FSL and 1920 feet FWL (Unit N) Section 18, T26N, R3W, at a standard gas well location for the Gavilan-Pictured Cliffs Gas Pool. See Form C-102, attached as Exhibit 1
2. This well is part of a thirty well pilot project for studying well density on the Pictured Cliffs Formation approved by Division Order R-11848, attached as Exhibit 2.
3. Paragraph (25) of Exhibit “A” for Order R-11848 identified this well with the correct footages but label it as “standard”.

4. This well's spacing unit is an irregular sized quarter-section consisting of 145.07 acres that causes the well to be 468.44 feet from the eastern boundary of its spacing unit instead of the standard 660 feet.

TECHNICAL SUPPORT

5. The location of this well Energen requested the Division take administrative notice of the evidence submitted in Case 12857 in support of this and the other wells within this pilot project

NOTIFICATION

6. All of the interest owners in SW/4 of Section 18 are the same for a 160-acre spacing unit consisting of the SW/4 of Section 18.

CONCLUSION

7. Approval of this application will afford the owners and the applicant the opportunity to produce their just and equitable share of the gas in the Pictured Cliffs formation, will promote the orderly development in this area, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

WHEREFORE, Applicant requests that this application be approve by the Division.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a printed name.

W. Thomas Kellahin

District II
 PO Drawer CO, Artesia, NM 88211-0719
 District III
 1060 Rio Arriba Rd., Aztec, NM 87410
 District IV
 PO Box 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	*Pool Name
	72319 \ 85920	Blanco Mesavende \ Tapacito Pictured Cliffs
*Property Code	*Property Name	
	JICARILLA 98	
*OBRI No	*Operator Name	*Elevation
102928	ENERGEN RESOURCES CORPORATION	6954'

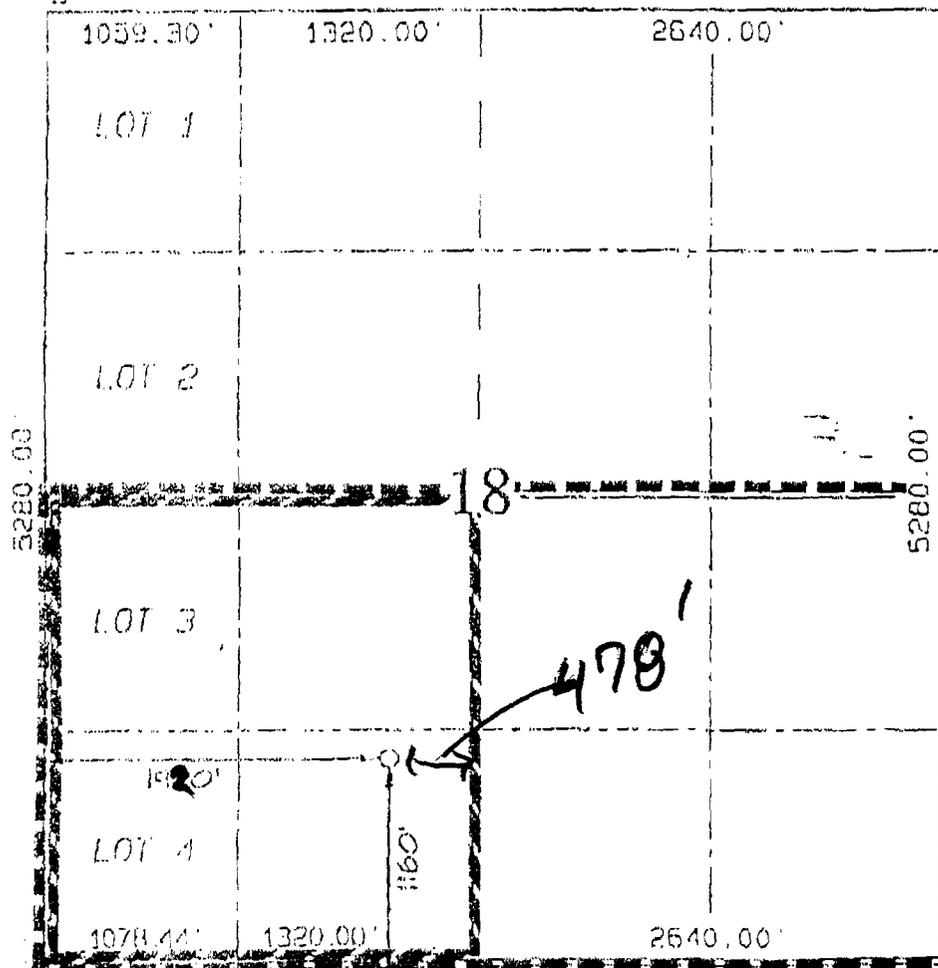
¹⁰ Surface Location

U. or S. 1/4	Section	Township	Range	Lot 1/4	Feet from the	North/South Line	Feet from the	East/West Line	County
N	18	26N	3W		1160	SOUTH	1920	WEST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

U. or S. 1/4	Section	Township	Range	Lot 1/4	Feet from the	North/South Line	Feet from the	East/West Line	County
¹² Dedicated Acres: 305.07 Acres (S/2) - MV 145.07 Acres (SW/4) - PC									
					¹³ Joint or Infill	¹⁴ Correlation Code	¹⁵ Order No.		

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



¹⁶ OPERATOR CERTIFICATION

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

Don Graham
 Signature
 Don Graham
 Printed Name
 Production Superintendent
 Title
 Date: 7-12-02

¹⁷ 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

Date of Survey: APRIL 9, 2002

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
 Certificate Number 15269