



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

June 13, 2007

RCVD JUN18'07
OIL CONS. DIV.
DIST. 3

Energen Resources Corporation
Attn: David M. Poage
2198 Bloomfield Hwy
Farmington, NM 87401

Administrative Order NSL-5642

30-039-27816

Re: **San Juan 30-4 Unit Well No. 28C**

B-31-30N-4W

Rio Arriba County

B.H. corrected

Dear Mr. Poage:

Reference is made to the following:

(a) your application (**administrative application reference No. pCLP07-13439038**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on May 14, 2007, and

(b) the Division's records pertinent to this request.

Energen Resources Corporation (Energen) has requested to complete its San Juan 30-4 Unit Well No. 28C at an unorthodox Mesaverde gas well location, 320 feet from the North line and 1615 feet from the East line (Unit B) of Section 31 Township 30 North, Range 4 West, N.M.P.M., in Rio Arriba County, New Mexico. The E/2 of Section 31 will be dedicated to this well in order to form a standard 320-acre gas spacing and proration unit in the Blanco-Mesaverde Pool (72319).

Spacing in this pool is governed by Rules I.A and I.C of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool, as amended by Order No. R-10987-A(1), effective December 2, 2002, which provide for 320-acres units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from the northern boundary of the spacing unit.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

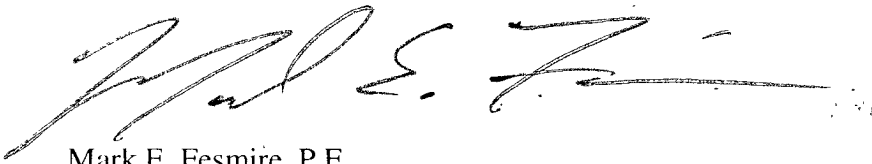
It is our understanding that Energen is seeking this location for topographic reasons, and to comply with United States Bureau of Land Management surface location requirements.

It is also understood that due notice of this application has been given to working interest owners in the offsetting spacing unit to the north.

Pursuant to the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec
United States Bureau of Land Management - Farmington