



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

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Cabinet Secretary

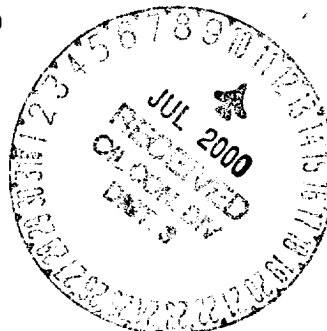
July 6, 2000

Lori Wrotenbery

Director

Oil Conservation Division

Energen Resources Corporation
2198 Bloomfield Highway
Farmington, New Mexico 87401
Attention: Richard P. Corcoran



**ADMINISTRATIVE REINSTATEMENT OF
DIVISION ORDER NO. R-2319
Division Administrative Order NSL-4482(NSP)**

Dear Mr. Corcoran:

Reference is made to the following: (i) your application dated June 1, 2000; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Energen Resources Corporation's request for:

- (1) for an unorthodox gas well location in the Basin-Dakota Pool for Energen Resources Corporation's proposed San Juan "32-5" Unit Well No. 1-R (API No. 30-039-26427) to be drilled as a replacement well 455 feet from the South line and 1275 feet from the East line (Lot 4/Unit P) of irregular Section 19, Township 32 North, Range 5 West, NMPM, Rio Arriba County, New Mexico; and
- (2) to reinstate the previously approved non-standard 355.25-acre gas spacing and proration units ("GPU") in both the Blanco-Mesaverde and Basin-Dakota Pools that comprises all of irregular Sections 18 and 19, Township 32 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

By Division Order No. R-2319, dated October 3, 1962, the above-described 355.25-acre GPU was initially established and had dedicated thereon the San Juan "32-5" Unit Well No. 1-X located at a gas well location considered to be unorthodox for both pools at that time 734 feet from both the East and West lines and 1680 feet from the South line (Lot 3/Unit I) of irregular Section 19. In 1982, when the San Juan "32-5" Unit Well No. 1-X was plugged and abandoned, this 355.25-acre non-standard GPU ceased to exist.

The subject application has been duly filed under the provisions of Division Rules 104.D (2), 104.F, and 605.B.

By the authority granted me under the provisions of Division Rule 104.D (2) (b), the above-described 355.25-acre non-standard GPU in both the Blanco-Mesaverde and Basin-Dakota Pools are hereby approved. Furthermore, under the provisions of Division Rule 104.F (2) the above-described

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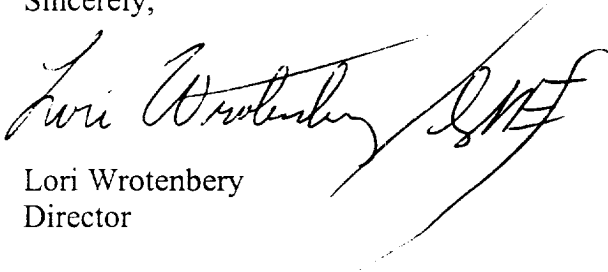
unorthodox Basin-Dakota gas well location within this 355.25-acre GPU for Energen Resources Corporation's proposed San Juan "32-5" Unit Well No. 1-R is also approved.

Further, if applicable, the aforementioned San Juan "32-5" Unit Well No. 1-X and both spacing units will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

All provisions of Division Order Nos. R-2319 not in conflict with this order shall remain in full force and effect until further notice.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery", followed by a large, stylized flourish or initial.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec /
U. S. Bureau of Land Management - Farmington