

DATE IN 5/17/02	SUSPENSE 6/6/02	ENGINEER MS	LOGGED MW	TYPE NSL
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21402 9247

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -

Carson #208 Well

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]

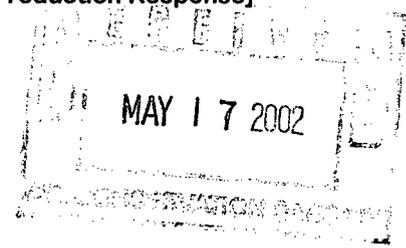
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
- NSL     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



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

- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  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

[3] 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, RI, 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  
Print or Type Name

*Richard P. Corcoran*  
Signature

District Landman  
Title

5-15-02  
Date



May 15, 2002

Michael E. Stogner  
New Mexico Oil Conservation Division  
1220 South Saint Frances Drive  
Santa Fe, NM 87505

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX  
AND NON-STANDARD PRORATION UNIT  
CARSON #208  
1,635' FNL & 860' FWL  
SECTION 19-T30N-R4W  
RIO ARRIBA COUNTY, NEW MEXICO  
BASIN FRUITLAND COAL

Dear Mr. Stogner:

Energen Resources Corporation requests administrative approval of an unorthodox location and non-standard proration unit for its Carson #208 well under the provisions of NMOCD R-8768.

The proposed well is to be located 1,635' FNL & 860' FWL of Section 19-T30N-R4W, Rio Arriba County, New Mexico and dedicated to a non-standard gas spacing unit consisting of the W/2 of said section 18, in the Basin Fruitland Coal gas pool.

The E/2 of section 18-T30N-R4W is dedicated to the San Juan 30-4 Unit (approved by the NMOCD), which provides in part that wells drilled to the Mesaverde and shallower formations shall be dedicated to E/2 or W/2 drilling blocks. Section 19 is irregular in size with the W/2 being made up of Lot 1 (NW NW) 14.82 acres, Lot 2 (SW NW) 14.86 acres, Lot 3 (NW SW) 14.90 acres, Lot 4 (SW SW) 14.94 acres, and E/2 W/2 totaling 219.52 acres which is less than 70% of 320 acres ( $219.52/320=68.60\%$ ) as required in the Basin Fruitland Coal Pool Rule 5.

For geologic reasons the subject well is to be drilled at an off pattern location so that it can stay within the overpressure envelope boundary which would not be obtainable at the closest standard location. See attached geologic narrative and map.

To stay within the overpressured envelope and minimize disturbance to wildlife and vegetation; we are proposing to situate the subject well on the existing well pad for Energen's Carson #4 well, located 1,561' FNL & 946' FWL of said Section 19.

The surface of the lands involved in this application is managed by the National Forest Service and the mineral by the Bureau of Land Management (BLM). The proposed surface location has been inspected by the Forest Service and Energen believes its location will be approved by the BLM.

Administrative Approval of Unorthodox Location  
and Non-Standard Proration Unit  
Carson #208  
May 15, 2002  
Page 2

A copy of this application is being submitted to offset operators 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 dedicated acreage, a topographic plat of the area, a map showing all offsetting operators, a geologic map and narrative.

Sincerely,

A handwritten signature in cursive script that reads "Richard Corcoran". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

Richard Corcoran  
District Landman

RC/ga

Enclosures

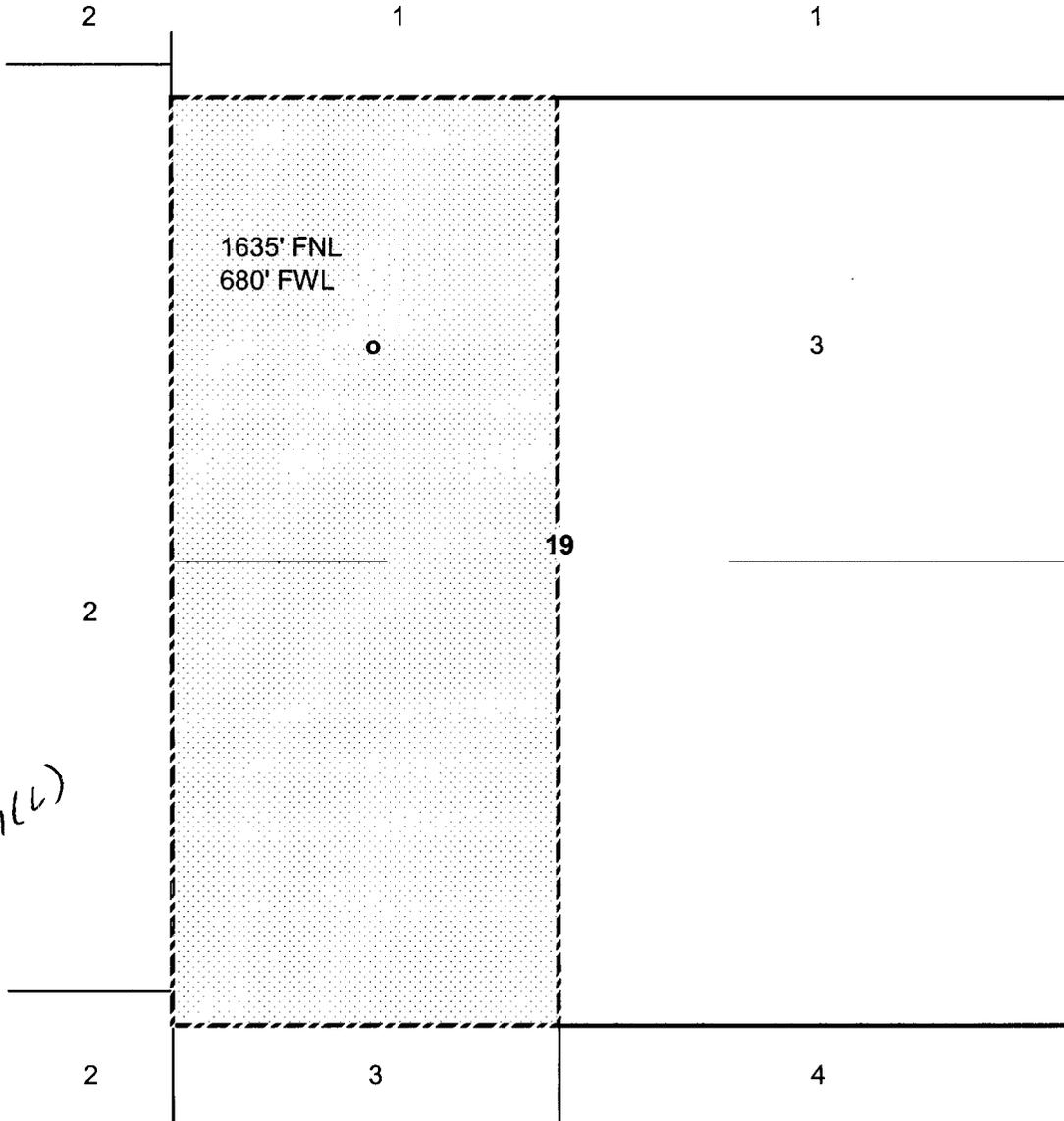
# Energen Resources Corporation

Carson #208

## OFFSET OPERATOR \ OWNER PLAT

Fruitland Coal Formation

W/2 Section 19, Township 30 North - Range 4 West



Phillips Petroleum Co.	Tract 2		
Energen Resources Corp.	Tract 1,3,&4	Pool Resources LTD	Tract 3
Mc Elvain Oil & Gas Corp.	Tract 3&4	JABCO LLP	Tract 3
MAR Oil & Gas Corp.	Tract 3&4	Trust UWO Evelyn G. Brown	Tract 3
Dugan Production Corp.	Tract 3&4	Trust UWO Algernon W. Brown	Tract 3
James M. Raymond	Tract 3&4	Providence Minerals Corp.	Tract 3
Charles W. Gay	Tract 3&4	Tinmil	Tract 3
Lorry Gay Hacker	Tract 3&4	Thomas P. Tinnin	Tract 3
Maydell Miller Mast	Tract 3&4	Burlington Resources Co.	Tract 3
Ruth Zimmerman, Trustee	Tract 3&4		

District I  
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised February 21, 1994

District II  
PO Drawer DD, Artesia, NM 88211-0719

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

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

AMENDED REPORT

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 71629		*Pool Name BASIN FRUITLAND COAL	
*Property Code		*Property Name CARSON			*Well Number 208
*OGRID No. 162928		*Operator Name ENERGEN RESOURCES CORPORATION			*Elevation 7385'

<sup>10</sup> Surface Location

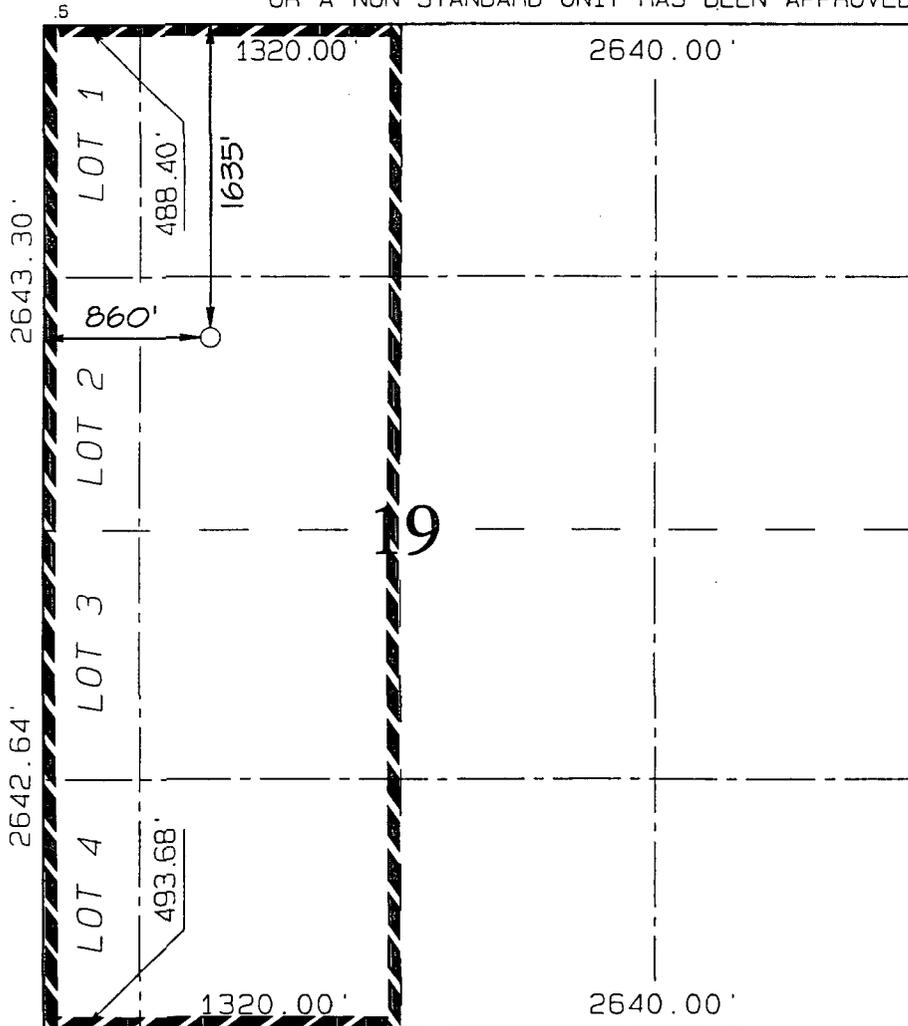
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	19	30N	4W		1635	NORTH	860	WEST	RIO ARRIBA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.

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



<sup>17</sup> OPERATOR CERTIFICATION

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

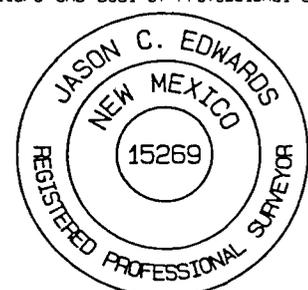
*Don Graham*  
Signature  
Don Graham  
Printed Name  
Production Superintendent  
Title  
5-14-02  
Date

<sup>18</sup> 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: MARCH 5, 2002

Signature and Seal of Professional Surveyor



*JASON C. EDWARDS*  
Certificate Number 15269

ENERGEN RESOURCES CORPORATION CARSON #208

1635' FNL & 860' FWL, SECTION 19, T30N, R4W, N.M.P.M.  
RIO ARRIBA COUNTY, NEW MEXICO



TO: NMOCD  
RE: Reason for non-standard location  
Carson #208  
Fruitland Coal formation  
nw sect.19, T30N-R4W  
Date: 5/3/02

**Summary:**

The Carson #208 has been staked in the nw/4 of section 19 because of geologic reasons. Based on our current interpretation of the Fruitland Coal overpressured envelope boundary, a well drilled at the standard location in the sw/4 is expected to encounter low permeability coal and would probably result in an uneconomic well.

**Discussion:**

The Carson #208 has only one objective, the overpressured Fruitland Coal. At this time, there are no commercial Fruitland Coal wells in T30N-R4W. Energen is attempting to extend the commercial production from the west into this township, but there is significant risk associated with this drilling program.

The overpressured envelope boundary is interpreted to run NE-SW through section 19. The standard location in the sw/4 of section 19 is interpreted to either be out of the overpressured envelope, or very close to the edge (see attached map). The coal near this boundary has very low permeability. This tight coal is what forms the trap (seal) for the overpressured envelope. Wells drilled in this tight coal are typically non-commercial.

Even the location in the nw/4 of section 19 has risk associated with it, as this low permeability coal area can extend over a mile away from the overpressured envelope boundary. However, because the nw/4 is farther away from the boundary, the risk is lower than the sw/4.

The interpreted location of this boundary is based on Fruitland Coal BHP data, gas composition, and non-commercial wells (see attached map).

Greg Jennings  
District Geologist, San Juan Basin  
Energen Resources

Attachment: FT Coal daily prod map, with CO2 % from gas desorption





May 15, 2002

*Certified Mail*

7001 1940 0003 1550 3726

Ruth Zimmerman  
Attn: Ms. Hazel Hart  
842 Muirlands Vista Way  
La Jolla, CA 92037



RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION  
AND NON-STANDARD PRORATION UNIT  
CARSON #208 WELL  
SECTION 19-T30N-R4W  
RIO ARRIBA COUNTY, NEW MEXICO  
BASIN FRUITLAND COAL

Dear Ms. Hart:

Energen Resources Corporation (Energen) has filed with the New Mexico Oil Conservation Division (NMOCD), an Application for the Administrative Approval of an Unorthodox Location and Non-Standard Proration unit, for its Carson #208 well. A copy of the application has been attached for your review.

If you have no objection to this application, please sign three copies of the attached waiver, return one executed copy to the NMOCD in Santa Fe, New Mexico, one copy to our office and retain one copy for your files.

Your assistance and cooperation in this matter are appreciated.

Sincerely,

Richard P. Corcoran  
District Landman

RC/ga

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**WAIVER**

Ruth Zimmerman Trust hereby waives objection to the above referenced Application for Unorthodox Location and Non-Standard Proration unit for Energen Resources Corporation's Carson #208 well.

Date: 5/22/02 By: Hazel Z. Hart AIF  
cc: OCD-Aztec office, BLM-Farmington office, Offset Operators

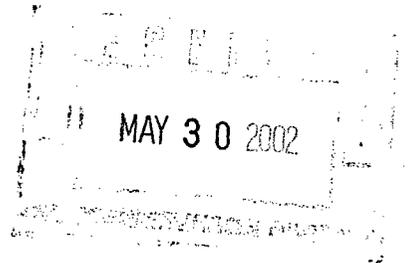


May 15, 2002

*Certified Mail*

7001 1940 0003 1550 3610

JABCO, LLP  
Attn: Debra Coughlin  
c/o Bank of America  
P.O. Box 2546  
Fort Worth, TX 76113-2546



RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION  
AND NON-STANDARD PRORATION UNIT  
CARSON #208 WELL  
SECTION 19-T30N-R4W  
RIO ARRIBA COUNTY, NEW MEXICO  
BASIN FRUITLAND COAL

Dear Ms. Coughlin:

Energen Resources Corporation (Energen) has filed with the New Mexico Oil Conservation Division (NMOCD), an Application for the Administrative Approval of an Unorthodox Location and Non-Standard Proration unit, for its Carson #208 well. A copy of the application has been attached for your review.

If you have no objection to this application, please sign three copies of the attached waiver, return one executed copy to the NMOCD in Santa Fe, New Mexico, one copy to our office and retain one copy for your files.

Your assistance and cooperation in this matter are appreciated.

Sincerely,

Richard P. Corcoran  
District Landman

RC/ga

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**WAIVER**

Bank of America, N.A. Agent  
JABCO L.L.P. hereby waives objection to the above referenced Application for Unorthodox Location and Non-Standard Proration unit for Energen Resources Corporation's Carson #208 well.

Date: 5-22-02 By: Bill Bledsoe

cc: OCD-Aztec office, BLM-Farmington office, Offset Operators  
Bill Bledsoe  
Vice President



May 15, 2002

*Certified Mail*

7001 1940 0003 1550 3733

Dugan Production Corp.  
Attn: David Poage  
P. O. Box 420  
Farmington, NM 87499

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION  
AND NON-STANDARD PRORATION UNIT  
CARSON #208 WELL  
SECTION 19-T30N-R4W  
RIO ARRIBA COUNTY, NEW MEXICO  
BASIN FRUITLAND COAL

Dear Mr. Poage:

Energen Resources Corporation (Energen) has filed with the New Mexico Oil Conservation Division (NMOCD), an Application for the Administrative Approval of an Unorthodox Location and Non-Standard Proration unit, for its Carson #208 well. A copy of the application has been attached for your review.

If you have no objection to this application, please sign three copies of the attached waiver, return one executed copy to the NMOCD in Santa Fe, New Mexico, one copy to our office and retain one copy for your files.

Your assistance and cooperation in this matter are appreciated.

Sincerely,

Richard P. Corcoran  
District Landman

RC/ga

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WAIVER

Dugan Production Corp

hereby waives objection to the above referenced Application for Unorthodox Location and Non-Standard Proration unit for Energen Resources Corporation's Carson #208 well.

Date: 5/23/2002

By: John Cleander

cc: OCD-Aztec office, BLM-Farmington office, Offset Operators

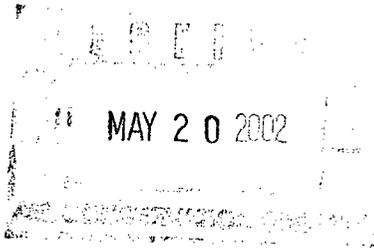


May 15, 2002

*Certified Mail*

7001 1940 0003 1550 3689

MAR Oil & Gas  
Attn: Mr. Leon Romero  
P. O. Box 5155  
Santa Fe, NM 87502



RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION  
AND NON-STANDARD PRORATION UNIT  
CARSON #208 WELL  
SECTION 19-T30N-R4W  
RIO ARriba COUNTY, NEW MEXICO  
BASIN FRUITLAND COAL

Dear Mr. Romero:

Energen Resources Corporation (Energen) has filed with the New Mexico Oil Conservation Division (NMOCD), an Application for the Administrative Approval of an Unorthodox Location and Non-Standard Proration unit, for its Carson #208 well. A copy of the application has been attached for your review.

If you have no objection to this application, please sign three copies of the attached waiver, return one executed copy to the NMOCD in Santa Fe, New Mexico, one copy to our office and retain one copy for your files.

Your assistance and cooperation in this matter are appreciated.

Sincerely,

Richard P. Corcoran  
District Landman

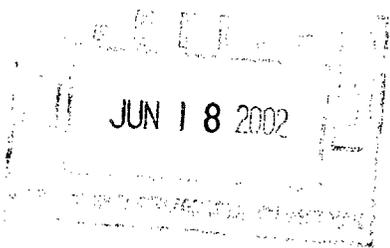
RC/ga

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WAIVER

MAR OIL & GAS, hereby waives objection to the above referenced Application for Unorthodox Location and Non-Standard Proration unit for Energen Resources Corporation's Carson #208 well.

Date: 5/18/02 By: [Signature]  
cc: OCD-Aztec office, BLM-Farmington office, Offset Operators



NSP-1856(4)

May 15, 2002

**Certified Mail**  
7001 1940 0003 1550 3702

Thomas P. Tinnin  
2303 Candelaria Road, NW  
Albuquerque,, NM 87107

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION  
AND NON-STANDARD PRORATION UNIT  
CARSON #208 WELL  
SECTION 19-T30N-R4W  
RIO ARRIBA COUNTY, NEW MEXICO  
BASIN FRUITLAND COAL

Dear Mr. Tinnin:

Energen Resources Corporation (Energen) has filed with the New Mexico Oil Conservation Division (NMOCD), an Application for the Administrative Approval of an Unorthodox Location and Non-Standard Proration unit, for its Carson #208 well. A copy of the application has been attached for your review.

If you have no objection to this application, please sign three copies of the attached waiver, return one executed copy to the NMOCD in Santa Fe, New Mexico, one copy to our office and retain one copy for your files.

Your assistance and cooperation in this matter are appreciated.

Sincerely,

Richard P. Corcoran  
District Landman

RC/ga

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**WAIVER**

TOM TINNIN hereby waives objection to the above referenced Application for Unorthodox Location and Non-Standard Proration unit for Energen Resources Corporation's Carson #208 well.

Date: 06/17/02

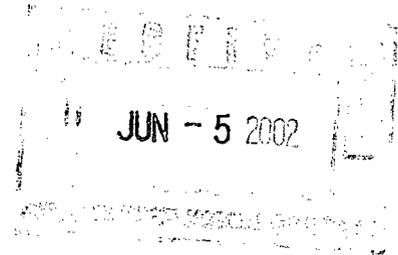
By:

cc: OCD-Aztec office, BLM-Farmington office, Offset Operators

**WELLS  
FARGO**

MAC C7300-07D  
Oil, Gas and Mineral Administration  
P O Box 5383  
Denver, CO 80217  
303 863-5750 Fax

June 3, 2002



Michael E. Stogener  
New Mexico Oil Conservation Division  
1220 South St. Frances Drive  
Santa Fe, NM 87505

Energen Resources  
2198 Bloomfield Highway  
Farmington, NM 87401

Re: Pool Resources Ltd Waiver  
Carson #208 Well      Sec 19-30N-4W  
Rio Arriba County, New Mexico

Enclosed, please find your Waiver for Application for Unorthodox Location and Non-Standard Proration Unit, fully executed by Wells Fargo Bank, N.A., as Agent for Pool Resources Ltd.

Should you have any questions, or additional information, please do not hesitate to contact me at (303) 863-5728.

Sincerely,

CT Thomson  
Trust Asset Assistant



May 15, 2002

*Certified Mail*

7001 1940 0003 1550 3627

Wells Fargo Bank, N.A., as Agent for Pool Resources, Ltd.  
Attn: Elizabeth Lauer  
P. O. Box 5383  
Denver, CO 80217-5383

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION  
AND NON-STANDARD PRORATION UNIT  
CARSON #208 WELL  
SECTION 19-T30N-R4W  
RIO ARRIBA COUNTY, NEW MEXICO  
BASIN FRUITLAND COAL

Dear Ms. Lauer:

Energen Resources Corporation (Energen) has filed with the New Mexico Oil Conservation Division (NMOCD), an Application for the Administrative Approval of an Unorthodox Location and Non-Standard Proration unit, for its Carson #208 well. A copy of the application has been attached for your review.

If you have no objection to this application, please sign three copies of the attached waiver, return one executed copy to the NMOCD in Santa Fe, New Mexico, one copy to our office and retain one copy for your files.

Your assistance and cooperation in this matter are appreciated.

Sincerely,

Richard P. Corcoran  
District Landman

RC/ga

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**WAIVER**

Pool Resources Ltd hereby waives objection to the above referenced Application for Unorthodox Location and Non-Standard Proration unit for Energen Resources Corporation's Carson #208 well.

Wells Fargo Bank, N.A. as Agent for  
Pool Resources, Ltd.

Date: May 20, 2002

By: \_\_\_\_\_

cc: OCD-Aztec office, BLM-Farmington office, Offset Operators

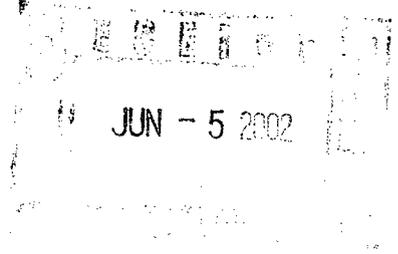
  
Elizabeth B. Lauer, Asst. Vice-President



**PHILLIPS PETROLEUM COMPANY**

FARMINGTON, NEW MEXICO 87401  
5525 HWY. 64 NBU 3004

June 4, 2002



Mr. Michael Stogner  
New Mexico Oil Conservation Division  
1220 So. St. Francis Drive  
Santa Fe, New Mexico 87505

Re: ADMINISTRATIVE APPROVAL OF  
UNORTHODOX LOCATION AND  
NON-STANDARD PRORATION  
UNIT FOR THE FOLLOWING:  
Carson #208 in Sec. 19, T30N-R4W  
and the San Juan 30-4 Unit #103  
in Sec. 18, T30N-R4W both located in  
Rio Arriba County, New Mexico

Dear Mr. Stogner:

Phillips Petroleum Company has executed the enclosed Waivers to the captioned applications of  
ENERGEN RESOURCES.

Very truly yours,

Jim Ball  
Senior Land Specialist  
San Juan Basin  
(505) 599-3410

Enclosures  
cc: Michael L. Campbell



May 15, 2002

*Certified Mail*

7001 1940 0003 1550 3771

Phillips Petroleum Company  
Attn: Jim Ball  
5525 Highway 64  
Farmington, NM 87401

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION  
AND NON-STANDARD PRORATION UNIT  
CARSON #208 WELL  
SECTION 19-T30N-R4W  
RIO ARRIBA COUNTY, NEW MEXICO  
BASIN FRUITLAND COAL

Dear Mr. Ball:

Energen Resources Corporation (Energen) has filed with the New Mexico Oil Conservation Division (NMOCD), an Application for the Administrative Approval of an Unorthodox Location and Non-Standard Proration unit, for its Carson #208 well. A copy of the application has been attached for your review.

If you have no objection to this application, please sign three copies of the attached waiver, return one executed copy to the NMOCD in Santa Fe, New Mexico, one copy to our office and retain one copy for your files.

Your assistance and cooperation in this matter are appreciated.

Sincerely,

Richard P. Corcoran  
District Landman

RC/ga

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**WAIVER**

PHILLIPS PETROLEUM COMPANY hereby waives objection to the above referenced Application for Unorthodox Location and Non-Standard Proration unit for Energen Resources Corporation's Carson #208 well.

Date: June 3, 2002

By: \_\_\_\_\_

**JIM BALL  
SR. LAND SPECIALIST  
SAN JUAN AREA**

cc: OCD-Aztec office, BLM-Farmington office, Offset Operators