



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



September 27, 2011

Energen Resources Corporation
Attn: Mr. David M. Poage

Administrative Order SD-201122
Administrative Application Reference No. pTGW11-24556642

ADMINISTRATIVE SIMULTANEOUS DEDICATION ORDER

Operator: **Energen Resources Corporation**
OGRID: 162928

Subject Wells

Carracas 25 A Well No. 14 (existing horizontal)

API No. 30-039-27588

Section 25-32N-5W

Rio Arriba County, New Mexico

Surface location

870 feet FSL & 1510 feet FWL (Unit N)

Terminus

780 feet FNL & 1880 feet FWL (Unit C)

Carracas 25 A Well No. 7H (proposed horizontal)

API No. 30-039-30852

Rio Arriba County, New Mexico

Surface location

2611 feet FSL & 898 feet FWL (Unit L) Section 24-32N-5W

Penetration Point

100 feet FNL & 400 feet FWL (Unit D) Section 25-32N-5W

Terminus

100 feet FSL & 400 feet FWL (Unit M) Section 25-32N-5W

Oil Conservation Division

1220 South St. Francis Drive • Santa Fe, New Mexico 87505

Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



Subject Unit

W/2 Section 25

319.09 acres

Basin Fruitland Coal Gas Pool (71629)

Reference is made to your application filed on September 2, 2011.

You have requested to simultaneously dedicate the Subject Unit to the Subject Wells.

The Subject Unit is a standard 320-acre, more or less, gas spacing unit in the above-identified pool. Applicable well density rules for this pool allow two wells to be completed in the unit, but require that the wells be in different quarter sections. Because the both the existing well and proposed well will be completed within both quarter sections of this 320-acre unit, division approval for simultaneous dedication is required.

Your application has been duly filed under the provisions of Division Rules 15.11.C [19.15.15.11.C NMAC] and 4.12.A [19.15.4.12.A NMAC].

It is our understanding you have proposed the simultaneous dedication of this unit to the Subject Wells for geological reasons, in order to prevent waste and maximize production from this unit. We further understand that notice of this application to offsetting owners is unnecessary due to common ownership.

Pursuant to the authority granted by Rule 15.11.C, the above-described simultaneous dedication 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 "Jami Bailey", is written over a horizontal line.

Jami Bailey
Director

JB/db

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