

DATE <b>9.2.11</b>	SUSPENSE	ENGINEER <b>DK B</b>	LOGGED <b>9.2.11/SD</b>	TYPE <b>PTGW 1124557628</b>
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ABOVE THIS LINE FOR DIVISION USE ONLY  
**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -

Carracas Unit # 119

**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 [X] 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] [X] Working, Royalty or Overriding Royalty Interest Owners  
 [B] [X] 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.

David M. Poage		District Landman	8/31/11
Print or Type Name	Signature	Title	Date

Emergen  
 Carracas 9N #119H  
 Carracas 2L #107  
 201124

RECEIVED-001  
 2011 SEP -2 PM 1:04



CERTIFIED MAIL-RECEIPT REQUESTED  
7009 2820 0000 6910 8761

August 31, 2011

Ms. Jami Bailey  
Division Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, NM 87505

RE: Application of Energen Resources Corporation for Administrative Approval of the Simultaneous Dedication of the North-Half of Section 14, Township 32 North, Range 5 West, N.M.P. M., Rio Arriba County, New Mexico to its presently drilling Carracas Unit # 119H Well and the existing Carracas Unit # 103 Well.

Dear Ms. Bailey:

Energen Resources Corporation is the operator of a 320.00 acre spacing unit in the Basin Fruitland Coal Pool (**Pool Code 71629**) comprised of the north-half of Section 14, Township 32 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico. This spacing unit is dedicated to Energen's Carracas Unit # 103 which was vertically drilled and produces from the Fruitland Coal formation.

Energen seeks administrative approval of the simultaneous dedication of this 320.00 acre spacing unit to the following two gas wells:

A. the Carracas Unit # 103 well (API No. 30-039-24555) vertically drilled from a surface location 1,000' FNL and 680' FEL of Section 14. CA)

B. the newly drilling Carracas Unit # 119H well (API No. 30-039-30844) which is being horizontally drilled from a surface location 1,045' FNL and 480' FEL of Section 15, to a proposed bottom hole location 200' FNL and 400' FEL of Section 14. The 7" casing point was at 907' FNL and 105' FWL of Section 14.

Neither well violates the existing set back requirements for these wells. There are 10' setbacks pursuant to Order R-13119.

Attached hereto for each well is a copy of Division Form C-102 for these wells that show the surface and bottom hole locations of each well. In addition also enclosed is a map of the offset operators of all offsetting spacing units. Energen Resources is the operator of all offsetting spacing units and owns 100% of the working interest in all offsetting spacing units.

Since Energen is the only party required to be furnished a Notice to offset operators none is being attached to this application.

The simultaneous dedication of the North-Half of said Section 14 to the Carracas Unit # 103 and the Carracas Unit # 119H wells will afford Energen the opportunity to efficiently produce the Fruitland Coal formation under this spacing unit. Energen's proposed simultaneous dedication of these wells does not exceed the number of wells allowed by division Rule for this spacing unit.

Your attention to this application is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "David M. Poage". The signature is fluid and cursive, with a long horizontal stroke at the end.

David M. Poage  
District Landman  
Energen Resources Corporation

Enclosures

"As Drilled"

District I

1825 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102

Revised July 16, 2010

Submit one copy to appropriate

District Office

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number 30-039-30844		* Pool Code 71629	* Pool Name Basin Fruitland Coal
* Property Code 32932	* Property Name Carracas Unit FR		* Well Number 119
* OGRID No. 162928	* Operator Name Energen Resources Corporation		* Elevation 7533'

<sup>10</sup> Surface Location

UL or lot no. A	Section 15	Township 32N	Range 5W	Lot 1 dn	Feet from the 1045	North/South line North	Feet from the 480	East/West line East	County Rio Arriba
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. A	Section 14	Township 32N	Range 5W	Lot 1 dn	Feet from the 341	North/South line North	Feet from the 1403	East/West line East	County Rio Arriba
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* Dedicated Acres 320 N/2 (Sec. 14)	* Joint or Infill	* Consolidation Code	* Order No. R-13119
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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>16</sup> <div>Producing Interval: From the 7" casing shoe @ 907' FNL, 105' FWL (Sec. 14), to the BHL @ 341' FNL, 1403' FEL</div>				<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, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <div>Signature: <u>Stephen Byers</u> Date: <u>08/11/2011</u></div> <div>Printed Name: <u>Stephen Byers</u></div> <div>E-mail Address: <u>sbyers@energen.com</u></div>			
<p>1045' SHL 480' 7" Casing Point @ 907' FNL, 105' FWL Coal Entry Point 341' BHL 1403'</p>				<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. <div>Date of Survey: <u>June 23, 2008</u></div> <div>Signature and Seal of Professional Surveyor:  David R. Russell Certificate Number: <u>10201</u></div>			

# OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT I  
P.O. Box 1940, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Bravo Rd., Alamo, NM 87410

## WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>Nassau Resources, Inc.</b>			Lease <b>Carracas Unit 14 A</b>		Well No. <b>1</b>
Unit Letter <b>A</b>	Section <b>14</b>	Township <b>32 North</b>	Range <b>5 West</b>	County <b>Rio Arriba</b>	
Actual Footage Location of Well:					
1000 feet from the North line and		680 feet from the East line			
Ground level Elev. <b>7380</b>	Producing Formation <b>Fruitland Coal</b>	Pool <b>Basin Fruitland Coal</b>	Dedicated Acreage: <b>320.0 Acres</b>		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

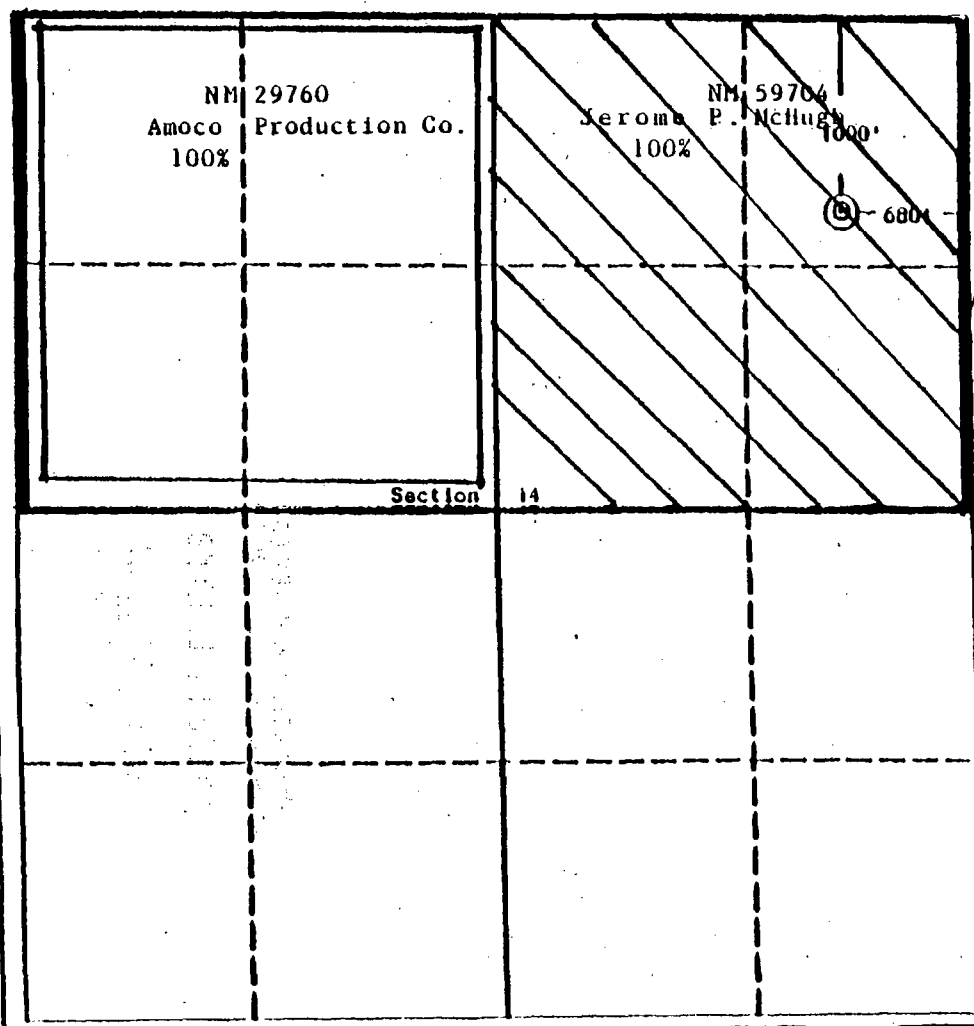
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force pooling, etc.?

☒ Yes ☐ No

If answer is "yes" type of consolidation **Carracas Unit - Unitization**

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

If allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



### OPERATOR CERTIFICATION

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

Signature

Printed Name

**James S. Hazen**

Position

**Field Supt.**

Company

**Nassau Resources, Inc.**

Date

**8/16/89**

### 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 knowledge and belief.

Date Surveyed

**August 3, 1989**

Signature & Seal of  
Professional Surveyor

**EDGAR L. RISENHOWER**  
**NEW MEXICO**  
**3979**  
**5079**  
**Edgar**

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

September 12, 1989

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Nassau Resources, Inc.  
c/o Jerome P. McHugh & Associates  
P.O. Box 809  
Farmington, NM 87499-0809

Attention: Fran Perrin

RECEIVED  
SEP 14 1989  
OIL CON. DIV.  
DIST. 3

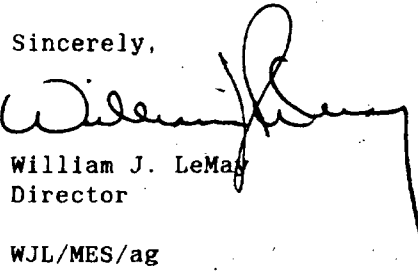
Administrative Order NSL-2694

Dear Ms. Perrin:

Reference is made to your application of August 21, 1989 for a non-standard coal gas well location for your Carracas Unit "14-A" Well No. 1 to be located 1000 feet from the North line and 680 feet from the East line (Unit A) of Section 14, Township 32 North, Range 5 West, NMPM, Basin Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico. The N/2 of said Section 14 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

  
William J. LeMay  
Director

WJL/MES/ag

REMARKS: This well replaces the Carracas Unit "14-A" Well No. 4 which was approved by Division Order No. R-8844 to be located at a more unorthodox coal gas well location 790 feet from the North and West lines (Unit D) of said Section 14.

cc: Oil Conservation Division - Aztec  
New Mexico Oil & Gas Engineering Committee - Hobbs  
US Bureau of Land Management - Farmington  
US Forest Service - Blanco

