



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 28, 2011

Energen Resources Corporation
Attn: Mr. David M. Poage

Administrative Order SD-201125
Administrative Application Reference No. pTGW11-25146224

ADMINISTRATIVE SIMULTANEOUS DEDICATION ORDER

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

Subject Wells

Carracas Unit 31B Well No. 1 (existing vertical)

API No. 30-039-25462

1190 feet FNL & 790 feet FEL

Unit A, Section 31-32N-4W

Rio Arriba County, New Mexico

Carracas 31B Well No. 16H (recently drilled horizontal)

API No. 30-039-30701

Rio Arriba County, New Mexico

Surface location

970 feet FSL & 815 feet FEL (Unit P) Section 30-32N-4W

Penetration Point

110 feet FNL & 1611 feet FEL (Unit B) Section 31-32N-4W

Terminus

2063 feet FSL & 1020 feet FEL (Unit I) Section 31-32N-4W



Subject Unit

E/2 Section 31

320 acres

Basin Fruitland Coal Gas Pool (71629)

Reference is made to your application filed on September 8, 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 new 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 you have given due notice of this application to all offsetting operators and owners who are affected persons.

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", with a stylized, cursive script.

Jami Bailey
Director

JB/db

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