

DATE IN 9.8.11	SUSPENSE	ENGINEER DKB	LOGGED 9.8.11	TYPE PTG 1125146224
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

Carracas 31B # 16H

Enorgon

Carracas 31B #16H

ADMINISTRATIVE APPLICATION COVERSHEET

Carracas 31B #

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
Print or Type Name

David M. Poage
Signature

District Landman
Title

9/02/11
Date

September 2, 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 East-Half of Section 31, Township 32 North, Range 4 West, N.M.P. M., Rio Arriba County, New Mexico to its recent drill Carracas 31B # 16H Well and the existing Carracas 31 B # 1 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 east-half of Section 31 Township 32 North, Range 4 West, N.M.P.M., Rio Arriba County, New Mexico. This spacing unit is dedicated to Energen's Carracas 31 B #1 well 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 31 B # 1 well (API No. 30-039-25462) vertically drilled from a surface location 1,190' FNL and 790' FEL of Section 31.

B. the recent Carracas 31 B # 16H well (API No. 30-039-30701) which was horizontally drilled from a surface location 970' FSL and 815' FEL of Section 30, to a proposed bottom hole location 1,761' FSL and 2,640' FEL of Section 31. The entry point was at 110' FNL and 1,611' FEL of Section 31.

Neither well violates the existing set back requirements for these wells this area has 10' setbacks from the north and east lines pursuant to 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 with the exception of the S/2 of Section 32 which is unleased Bureau of Land Management acreage and Sections 5 and 6-T31N-R4W, which is owned by Williams Production Company.

Energen has mailed, via USPS Certified Mail, Notice to the Affected Parties that this application has been submitted. A copy of the Notice to the Affected Parties is also attached.

The simultaneous dedication of the East-Half of said Section 31 to the Carracas 31 B # 1 and the Carracas 31 B # 16H 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", followed by a horizontal line extending to the right.

David M. Poage
District Landman
Energen Resources Corporation

Enclosures



CERTIFIED MAIL –RECEIPT REQUESTED
7009 2820 0000 6910 8792-Williams
7009 2820 0000 6910 8785-BLM

September 2, 2011

AFFECTED INTEREST OWNERS

RE: Application of Energen Resources Corporation for simultaneous dedication, Rio Arriba County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Energen Resources Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking the simultaneous dedication of the Carracas 31 B # 1 and Carracas 31B # 16H to the East-half of Section 31-Township 32 North, Range 4 West., NMPM, Rio Arriba County, New Mexico.

As the owner of an interest that may be affected by the proposed well, you may object to this application. Objections must be filed in writing within twenty days from this date at the Division's Santa Fe office that is located at 1220 South Saint Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application for a simultaneous dedication may be approved.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "David M. Poage".

David M. Poage
District Landman
Energen Resources Corporation

Williams Production Company
P.O. Box 640
Aztec, NM 87410

Bureau of Land Management
Department of the Interior
1235 La Plata Hwy.
Farmington, NM 87401



CERTIFIED MAIL –RECEIPT REQUESTED
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David M. Poage
District Landman
Energen Resources Corporation

Williams Production Company
P.O. Box 640
Aztec, NM 87410

Bureau of Land Management
Department of the Interior
1235 La Plata Hwy.
Farmington, NM 87401

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

30-039-25462

Operator Nassau Resources, Inc. 15515		Lease Carracas Unit 31 B 8313		RECEIVED PL	Well No. 1
Unit Letter A	Section 31	Township 32 North	Range 4 West	County Rio Arriba	
Actual Footage Location of Well					
1190	feet from the	North	line and	790	feet from the
Ground Level Elev. 7195	Producing Formation Fruitland	Pool Basin Fruitland Coal	Dedicated Acreage 320.0		Acres

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 interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Unitization - Carracas Unit

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

No 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 interests, has been approved by the Division.

NM 30015 McHugh Companies 100%		1190'
		790'
SECTION 31		
<p>RECEIVED SEP 16 1994 OIL CON. DIV. D-13</p>		

CERTIFICATION

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

Fran Perrin

Name

Fran Perrin

Position

Regulatory Liaison

Company

Nassau Resources, Inc.

Date

11/23/93

I hereby certify that the information shown on this plat was obtained from field notes or other sources, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

August 11, 1988

Registered Professional Engineer
and/or Land Surveyor

Edgar L. Risenhoover

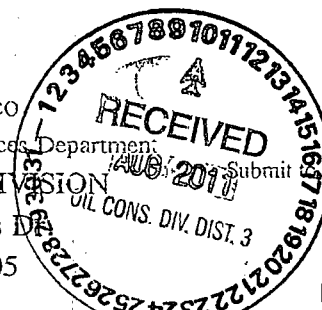
Certificate No. 5979

Edgar L. Risenhoover, P.E.

0 100 200 300 400 500 600 700 800 900 1000

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1361 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 October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-30701		² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 35667	⁵ Property Name Carracas 31B		⁶ Well Number 16
⁷ OGRID No. 162928	⁸ Operator Name ENERGEN RESOURCES CORPORATION		⁹ Elevation 7,247'

¹⁰ Surface Location

UL or lot no. P	Section 30	Township 32N	Range 04W	Lot Idn	Feet from the 970'	North/South line South	Feet from the 815'	East/West line East	County Rio Arriba
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. I	Section 31	Township 32N	Range 04W	Lot Idn	Feet from the 2,063'	North/South line South	Feet from the 1,020'	East/West line East	County Rio Arriba
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¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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 working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <i>[Signature]</i> Date: 6/27/11</p> <p>Andrew Soto Printed Name</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>March 24, 2009 Date of Survey</p> <p>Original Survey Conducted and Recorded By: David R. Russell</p> <p>10201 Certificate Number</p>

AV

