

DATE IN <i>9.12.11</i>	SUSPENSE	ENGINEER <i>DB</i>	LOGGED <i>9.12.11</i>	PTBW TYPE <i>1125549772</i>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

Carracas 21 B # 1H

EVERGEN

112928

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

201137

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.

<u>David M. Poage</u>	<u><i>David M Poage</i></u>	<u>District Landman</u>	<u>9/09/11</u>
Print or Type Name	Signature	Title	Date



CERTIFIED MAIL-RECEIPT REQUESTED

7009-2820 0000 6910 8952

September 9, 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 21, Township 32 North, Range 4 West, N.M.P. M., Rio Arriba County, New Mexico to its existing Carracas 21 B # 5 Well and the Carracas 21 B # 1H 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 21, Township 32 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico. This spacing unit is dedicated to Energen's Carracas 21 B # 5 which was vertically drilled and is capable of production 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 21 B # 5 well (API No. 30-039-24421)** vertically drilled from a surface location 1,655' FSL and 1,185 FWL of Section 21 and

B. the horizontally drilled **Carracas 21 B # 1H well (API No. 30-039-30473)** which was horizontally drilled from a surface location 1,655' FNL and 1,165' FWL of Section 21 to a bottom hole location 115' FNL and 146' FEL of Section 21. The entry point was at 1,458' FNL and 1,944' FWL of Section 21.

Neither well violates the existing set back requirements for these wells.

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 21 to the Carracas 21 B # 5 and the Carracas 21 B # 1 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 the first name "David" being the most prominent.

David M. Poage

District Landman

Energen Resources Corporation

Enclosures

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.

Operator Nassau Resources, Inc.		Lease Carracas Unit 21-B		Well No. 5
Unit Letter E	Section 21	Township 32 North	Range 4 West	County Rio Arriba
Actual Footage Location of Well: 1655 feet from the North line and 1185 feet from the West line				
Ground Level Elev. 7355	Producing Formation Fruitland	Pool Basin Fruitland Coal	Dedicated Acreage 320 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 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.)

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 30014 Kindermac Partners	
1655'	1185'
SECTION 21	
OIL COAL DIST.	
RECEIVED MAY 10 1988	
FARMINGTON RESOURCE AREA FARMINGTON, NEW MEXICO	

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

Admin. Asst.

Company

Nassau Resources, Inc.

Date

12/8/88

I hereby certify that the location shown on this plat was taken from field notes of actual survey made by me or under my supervision, and that the same is correct to the best of my knowledge and belief.

Date Surveyed

July 28, 1988

Registered Professional Engineer
and/or Land Surveyor

Edgar L. Risenhoover

Certificate No. 5979

