

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



March 18, 2013

Energen Resources Corporation
c/o Montgomery & Andrews Law Firm
Attn: Mr. J. Scott Hall

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-4986-A
Administrative Application Reference No. pPRG1307040638

This order amends Administrative Order NSL-4986, which remains in force as hereby supplemented.

Energen Resources Corporation
OGRID 162928
Jicarilla 96 Well No. 3R
API No. 30-039-27528

Proposed Location:

<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
660 FNL & 2500 FEL	B	12	26N	3W	Rio Arriba

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NE/4 of Section 12	160	Gavilan; Pictured Cliffs	77360

Reference is made to your application received on March 8, 2013.

You have requested to drill or re-complete this well at an unorthodox gas well location described above, in the referenced pool or formation. This location is governed by the special rules applicable to the Gavilan; Pictured Cliffs Gas Pool, which provide for 160-acre units, with well to be located no closer than 660 feet to a section boundary or 330 feet to a quarter section boundary. This location is less than 330 feet from a quarter section boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

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It is our understanding that you are seeking this location in order to utilize and existing wellbore.

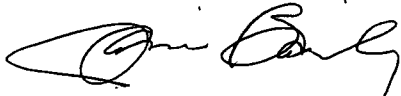
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

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", written in a cursive style.

Jami Bailey
Director

JB/db

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