

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location]  
  [NSP-Non-Standard Proration Unit]  
  [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 - Simultaneous Dedication  
 X NSL    NSP    SD
- Check One Only for [B] or [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
- [D] Other: Specify \_\_\_\_\_
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or  Does Not Apply
- [A]  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] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

J. Scott Hall Montgomery & Andrews, P.A.	<i>J. Scott Hall</i>	Attorney	11/17/2015
Print or Type Name	Signature	Title	Date
		<u>shall@montand.com</u>	
		e-mail Address	



**MONTGOMERY  
& ANDREWS**  
LAW FIRM

J. SCOTT HALL  
Cell: (505) 670-7362  
Email: [shall@montand.com](mailto:shall@montand.com)  
[www.montand.com](http://www.montand.com)

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November 18, 2015

TO: All Interest Owners on Attached List

**CERTIFIED MAIL/  
RETURN RECEIPT REQUESTED**

**Re: Energen Resources Corporation  
Request for Amendment to Administrative Order NSL-7245 -A  
Approving Unorthodox Well Location  
Basin-Mancos Gas Pool (97565)  
97232  
Chaco 23-08-3 Well No. 1H (Horizontal)  
API No. 30-045-35647  
N/2 Section 3, T23N, R8W (Project Area)  
1994' FNL and 187' FEL (H), Section 3 (Amended Surface)  
380' FNL and 330' FWL (D), Section 3 (Amended Bottom Hole)  
Completed Interval (Amended): 380' FNL and 700' FEL (entry  
point) to 380' FNL and 330' FWL, Section 3  
T23N, R8W, NMPM  
San Juan County, New Mexico**

Dear Sir or Madam:

Pursuant to New Mexico Oil Conservation Division (NMOCD) Rule 19.15.15.13 and the rules and regulations for the Basin-Mancos Gas Pool, you are hereby notified that Energen Resources Corporation has on this date made application to the NMOCD for administrative approval of an unorthodox well location for its Chaco 23-08-03 Well No. 1-H to be drilled at the location reflected above to the Mancos formation, Basin-Mancos Gas Pool, in San Juan County, New Mexico. A copy of the application is enclosed.

As the owner of an interest that may be affected, you have the right to object to the application. To do so, you must file a written protest with the NMOCD within twenty days. Failure to do so will prevent you from challenging the matter at a later time. A letter of protest may be sent to the NMOCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505.

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**REPLY TO:**

325 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone (505) 982-3873 • Fax (505) 982-4289

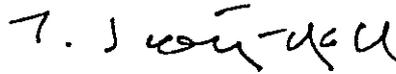
Post Office Box 2307  
Santa Fe, New Mexico 87504-2307

All Interest Owners on Attached List  
November 18, 2015  
Page 2

Should you consent to the application and the proposed unorthodox well location, you are requested to indicate your waiver of objection by signing where indicated below and then returning this letter to me at your earliest convenience.

Sincerely,

MONTGOMERY & ANDREWS, P.A.



J. Scott Hall

JSH:dl  
Enclosures

CONSENT:

By: \_\_\_\_\_

\_\_\_\_\_  
(Print Name)

**DISTRICT I**  
1000 N. French Dr., Hobbs, N.M. 88249  
Phone: (505) 590-6101 Fax: (505) 590-9780

**DISTRICT II**  
811 E. First St., Artesia, N.M. 88210  
Phone: (505) 948-1300 Fax: (505) 740-9720

**DISTRICT III**  
1000 Eo Bravo St., Aztec, N.M. 87410  
Phone: (505) 251-9170 Fax: (505) 251-9170

**DISTRICT IV**  
1200 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 478-5100 Fax: (505) 478-5100

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 1, 2011

Submit one copy to appropriate  
District Office

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-35647	<sup>2</sup> Pool Code 97232	BASIN MANCOS	<sup>3</sup> Pool Name
<sup>4</sup> Property Code	<sup>5</sup> Property Name CHACO 23-08-3		<sup>6</sup> Well Number 1H
<sup>7</sup> OSHD No. 162928	<sup>8</sup> Operator Name ENERGEN RESOURCES CORPORATION		<sup>9</sup> Elevation 6910.5'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	3	23N	8W		1994'	NORTH	137'	EAST	SAN JUAN

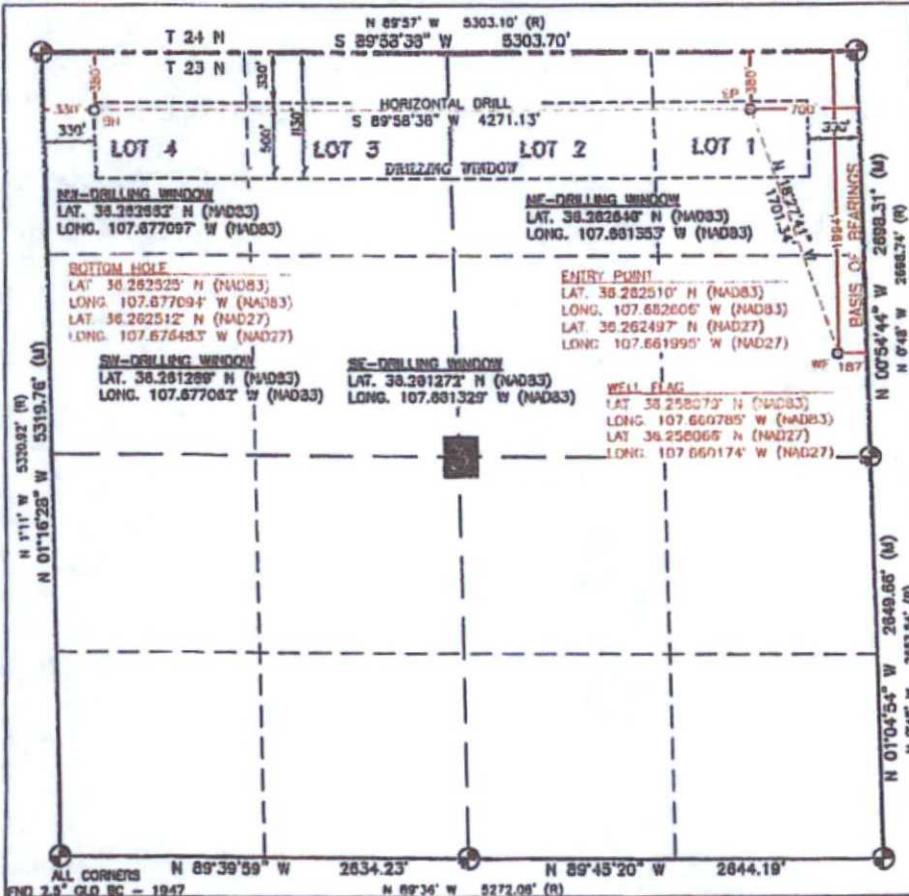
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	3	23N	8W	4	380'	NORTH	330'	WEST	SAN JUAN

<sup>12</sup> Dedicated Acres PROJECT AREA 323.20 ACRES - N/2 N/2 LOTS 1 THRU 4 OF SECTION 3	<sup>13</sup> Joint or InRR	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. NSL-7245-0
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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

10



<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 in a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Anna Stoltz* 11-5-15  
Signature Date  
*Anna Stoltz*  
Printed Name  
astolts@energen.com  
E-mail Address

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.

JULY 31, 2014  
Date of Survey  
Signature and Seal of Professional Surveyor:



Certification Number 11393

**Notice List**

**Chaco 23-08-3 Well No. 1-H**

R&R Royalty Company  
500 N Shoreline #322  
Corpus Christi, TX 78401

Encana Oil & Gas (USA) Inc.  
6584 E. Main Street  
Farmington, NM 87401

Dugan Production Company  
709 East Murray Drive  
Farmington, NM 87401

WPX Energy Production LLC  
4400 One Williams Center  
Tulsa, OK 74172-0144

Bureau of Land Management  
6251 College Boulevard  
Farmington, NM 87402

7015 1730 0000 9833 9336

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Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ \_\_\_\_\_

Return Receipt (electronic) \$ \_\_\_\_\_

Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

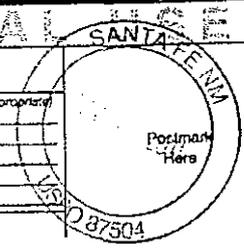
Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage \$ \_\_\_\_\_

Total Postage \$ \_\_\_\_\_

Sent To **R&R Royalty Company**  
 500 N Shoreline #322  
 Street and Apt. **Corpus Christi, TX 78401**  
 City, State, ZIP **13303-14-16 CHACO 1H**

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



7015 1730 0000 9833 9367

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Return Receipt (hardcopy) \$ \_\_\_\_\_

Return Receipt (electronic) \$ \_\_\_\_\_

Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

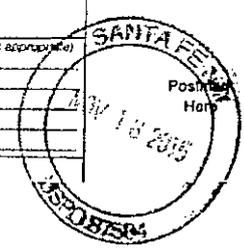
Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage \$ \_\_\_\_\_

Total Postage \$ \_\_\_\_\_

Sent To **WPX Energy Production LLC**  
 4400 One Williams Center  
 Street and Apt. **Tulsa, OK 74172-0144**  
 City, State, ZIP **CHACO 1H 13303-14-16**

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



7015 1730 0000 9833 9344

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Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ \_\_\_\_\_

Return Receipt (electronic) \$ \_\_\_\_\_

Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

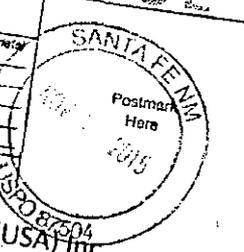
Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage \$ \_\_\_\_\_

Total Postage \$ \_\_\_\_\_

Sent To **Encana Oil & Gas (USA) Inc.**  
 6584 E. Main Street  
 Street and Apt. **Farmington, NM 87401**  
 City, State, ZIP **13303-14-16 CHACO 1H**

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



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Return Receipt (hardcopy) \$ \_\_\_\_\_

Return Receipt (electronic) \$ \_\_\_\_\_

Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

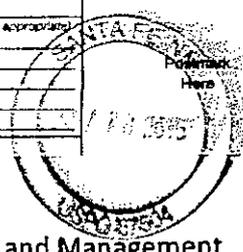
Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage \$ \_\_\_\_\_

Total Postage \$ \_\_\_\_\_

Sent To **Bureau of Land Management**  
 6251 College Boulevard  
 Street and Apt. **Farmington, NM 87402**  
 City, State, ZIP **CHACO 1H 13303-14-16**

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



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Extra Services & Fees (check box, add fee as appropriate)

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Return Receipt (electronic) \$ \_\_\_\_\_

Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage \$ \_\_\_\_\_

Total Postage \$ \_\_\_\_\_

Sent To **Dugan Production Company**  
 709 East Murray Drive  
 Street and Apt. **Farmington, NM 87401**  
 City, State, ZIP **13303-14-16 CHACO 1H**

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>Swain</u> C. Date of Delivery <u>11/30/15</u></p>
<p>1. Article Addressed to:</p> <p>R&amp;R Royalty Company 500 N Shoreline #322 Corpus Christi, TX 78401</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>9590 9401 0121 5225 6599 42</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery (over \$500)</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>7015 1730 0000 9833 9336</p>	<p>PS Form 3811, July 2015 PSN 7530-02-000-9053 <span style="float: right;">Domestic Return Receipt</span></p>

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>Ford</u> C. Date of Delivery <u>11/30/15</u></p>
<p>1. Article Addressed to:</p> <p>Encana Oil &amp; Gas (USA) Inc. 6584 E. Main Street Farmington, NM 87401</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>9590 9401 0121 5225 6599 80</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery (over \$500)</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>7015 1730 0000 9833 9343</p>	<p>PS Form 3811, July 2015 PSN 7530-02-000-9053 <span style="float: right;">Domestic Return Receipt</span></p>

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>Gerri Woodside</u> C. Date of Delivery <u>11/30/15</u></p>
<p>1. Article Addressed to:</p> <p>Dugan Production Company 709 East Murray Drive Farmington, NM 87401</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>9590 9401 0121 5225 6599 66</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery (over \$500)</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>7015 1730 0000 9833 9350</p>	<p>PS Form 3811, July 2015 PSN 7530-02-000-9053 <span style="float: right;">Domestic Return Receipt</span></p>

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Complete Items 1, 2, and 3.</li> <li><input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.</li> <li><input checked="" type="checkbox"/> Attach this card to the back of the mailpiece or on the front if space permits.</li> </ul>	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <input type="checkbox"/> C. Date of Delivery</p>
<p>1. Article Addressed to:</p> <p style="text-align: center;">WPX Energy Production LLC 4400 One Williams Center Tulsa, OK 74172-0144</p> <p style="text-align: center;">9590 9401 0121 5225 6599 59</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>
<p>2. Article Number (transfer from service label)</p> <p style="text-align: center;">7015 1730 0000 9833 9367</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery (over \$500)</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>	<p>Domestic Return Receipt</p>

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<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Complete Items 1, 2, and 3.</li> <li><input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.</li> <li><input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <input type="checkbox"/> C. Date of Delivery</p>
<p>1. Article Addressed to:</p> <p style="text-align: center;">Bureau of Land Management 6251 College Boulevard Farmington, NM 87402</p> <p style="text-align: center;">9590 9401 0121 5225 6599 73</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p> <div style="text-align: center;">  </div>
<p>2. Article Number (transfer from service label)</p> <p style="text-align: center;">1730 0000 9833 9374</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery (over \$500)</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>	<p>Domestic Return Receipt</p>

**Lowe, Leonard, EMNRD**

---

**From:** J. Scott Hall <SHall@montand.com>  
**Sent:** Tuesday, December 15, 2015 2:04 PM  
**To:** Lowe, Leonard, EMNRD  
**Subject:** RE: NSL - 7245 - A, CHACO 23 - 8 - 3 WELL NO. 2 H

Since the initial approvals, Energen has changed its plans to extend the Completed Interval in order to more efficiently and effectively recover the hydrocarbon resources.

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**From:** Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]  
**Sent:** Tuesday, December 15, 2015 1:56 PM  
**To:** J. Scott Hall  
**Subject:** RE: NSL - 7245 - A, CHACO 23 - 8 - 3 WELL NO. 2 H

Mr. Scott Hall,

What are your reasons for the NSL request for these two wells?

**Leonard Lowe**  
Engineering Bureau  
Oil Conservation Division  
Energy Minerals and Natural Resources Department  
1220 South St. Frances  
Santa Fe, New Mexico 87004  
Office: 505-476-3492  
Fax: 505-476-3462  
E-mail: [leonard.lowe@state.nm.us](mailto:leonard.lowe@state.nm.us)  
Website: <http://www.emnrd.state.nm.us/ocd/>

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**From:** J. Scott Hall [mailto:SHall@montand.com]  
**Sent:** Tuesday, December 15, 2015 9:46 AM  
**To:** Lowe, Leonard, EMNRD <[Leonard.Lowe@state.nm.us](mailto:Leonard.Lowe@state.nm.us)>  
**Subject:** RE: NSL - 7245 - A, CHACO 23 - 8 - 3 WELL NO. 2 H

Dear Leonard,

Here are the notice letters and return receipts for both the Chaco 23-08-3 1H and 2H wells.

J. Scott Hall  
Montgomery & Andrews, P.A.  
P. O. Box 2307  
Santa Fe, NM 87504-2307  
[shall@montand.com](mailto:shall@montand.com)  
(505) 986-2646



**ENERGEN**  
**R E S O U R C E S**

Date: 12/15/2015

From: Don Lehman  
Geologic Manager San Juan Basin

To: Dean Price  
District Landman, San Juan Basin

RE: NSL - 7245 - A; CHACO 23 - 8 - 3 #1H  
San Juan Co., NM

Reduced set-backs of 330 feet versus the current 380 feet are requested for this well in order to gain optimal production from the Mancos/Gallup reservoir. Horizontal drilling has proven that maximum lateral length as well as tighter spacing is the most effective method in draining these reservoirs and thus the request for 330 foot set-backs.

  
Donald D. Lehman

## OCD Permitting

Home Land Searches Land Details

### Section : 03-23N-08W

Type: Normal

Total Acres: 643.2

County: San Juan (45)

D (4) Indian <sup>1</sup> Federal <sup>2</sup> (45) 40.35	C (3) Indian <sup>1</sup> Federal <sup>2</sup> (45) 40.65	B (2) Indian <sup>1</sup> Federal <sup>2</sup> (45) 40.95	A (1) Indian <sup>1</sup> Federal <sup>2</sup> (45) 41.25
E (E) Indian <sup>1</sup> Federal <sup>2</sup> (45) 40	F (F) Indian <sup>1</sup> Federal <sup>2</sup> (45) 40	G (G) Indian <sup>1</sup> Federal <sup>2</sup> (45) 40	H (H) Indian <sup>1</sup> Federal <sup>2</sup> (45) 40
L (L) Indian <sup>1</sup> Federal <sup>2</sup> (45) 40	K (K) Indian <sup>1</sup> Federal <sup>2</sup> (45) 40	J (J) Indian <sup>1</sup> Federal <sup>2</sup> (45) 40	I (I) Indian <sup>1</sup> Federal <sup>2</sup> (45) 40
M (M) Indian <sup>1</sup> Federal <sup>2</sup> (45) 40	N (N) Indian <sup>1</sup> Federal <sup>2</sup> (45) 40	O (O) Indian <sup>1</sup> Federal <sup>2</sup> (45) 40	P (P) Indian <sup>1</sup> Federal <sup>2</sup> (45) 40

Note<sup>1</sup> = Surface Owner Rights

Note<sup>2</sup> = Sub-Surface Mineral Rights

#### Land Restrictions

No land restrictions found for this section.

[Return to Search](#)

State of New Mexico  
Energy, Minerals and Natural Resources Department.

Suzana Martinez  
Governor

David Martin  
Cabinet Secretary

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

David R. Catanach, Division Director  
Oil Conservation Division



March 5, 2015

Energen Resources Corporation  
Attn: Mr. Scott Hall

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7245  
Administrative Application Reference No. pMAM1504359548

Energen Resources Corporation  
OGRID 162928  
Chaco 23-08-3 Well No. 1H  
API No. 30-045-pending

**Proposed Location:**

	<u>Footages</u>	<u>Unit/lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1994' FNL & 187' FEL	H	3	23N	8W	San Juan
Penetration Point	380' FNL & 700' FEL	1	3	23N	8W	San Juan
Terminus (Final penetration)	380' FNL & 380' FWL	4	3	23N	8W	San Juan

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 Section 3	323.3	Basin Mancos	97232

Reference is made to your application received on February 12, 2015.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by the Special Rules for the Basin Mancos Gas Pool, which provides for 320-acre units with wells to be located at least 660 feet from outer unit boundaries, and Rule 19.15.16.14.B (2) NMAC concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC, 19.15.4.12.A(2) NMAC, and 19.15.4.12.A(9) NMAC.

It is our understanding that you are seeking this location because the operator has established that oil wells located in accordance with the setbacks for gas wells for this pool will not efficiently recover all the reserves in the unit.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 (A) 2 NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, 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 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Done at Santa Fe, New Mexico, on March 5, 2015.

  
\_\_\_\_\_  
DAVID R. CATANACH  
Director

DRC/mam

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