

DATE IN 11/17/2015	SUSPENSE	ENGINEER MAM	LOGGED IN 11/17/2015	TYPE NSL	APP NO. D444153225244
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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 _____

NSL-7246-A
 Ewen Resources
 Corporation
 162528
 6211
 - CHA 230825
 #24
 30-045-3564

[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

DOV
 - BASIN Agency
 9723-

[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.

T. Scott Hall Attorney

11/17/2015

Print or Type Name

Signature

Title

Date

shall@montand.com
 e-mail Address

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88249
Phone: (575) 334-6141 Fax: (575) 334-0700

DISTRICT II
111 S. First St., Artesia, N.M. 88210
Phone: (575) 740-1233 Fax: (575) 740-9720

DISTRICT III
1600 Rio Bracco Rd., Aztec, N.M. 87410
Phone: (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV
1223 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

*API Number 30-045-35646	*Pool Code 97232	*Pool Name BANCOS MANCOS GAS
*Property Code 315301	*Property Name CHACO 23-08-3	*Well Number 2H
*GRID No. 162928	*Operator Name ENERGEN RESOURCES CORPORATION	*Elevation 6911.8'

¹⁰ Surface Location

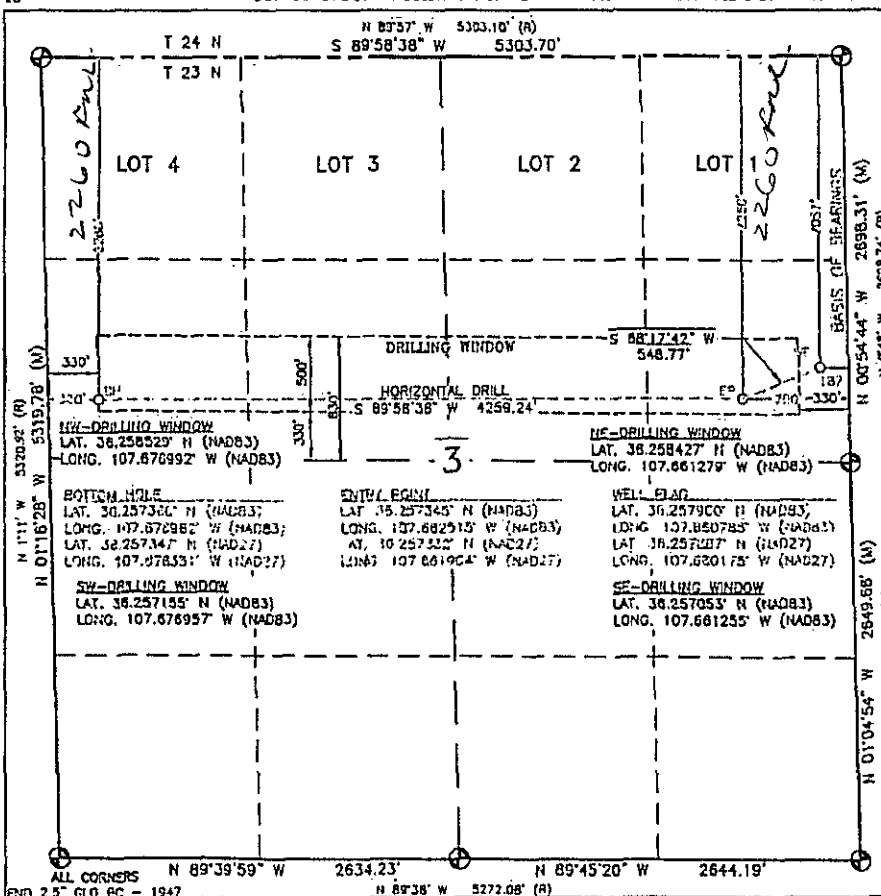
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	3	23N	BW		2057'	NORTH	187'	EAST	SAN JUAN

¹¹ 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
E	3	23N	BW		2260'	NORTH	330'	WEST	SAN JUAN

*Dedicated Acres 323.20 ACRES - 5/2 N/2 LOTS 1 THRU 4 OF SECTION 3	*Joint or Infill	*Consolidation Code	*Order No. NSL-7246-0
--	------------------	---------------------	--------------------------

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



¹⁷ 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 undivided 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 to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature *Anna Stotts* Date 11/04/15

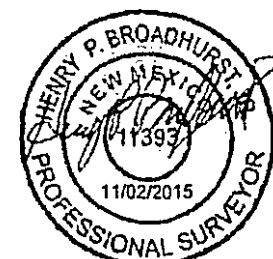
Printed Name
Anna Stotts
astotts@energen.com
E-mail Address

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.

OCTOBER, 2015

Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number 11393

EXHIBIT A



**MONTGOMERY
& ANDREWS**
LAW FIRM

J. SCOTT HALL
Cell: (505) 670-7362
Email: shall@montand.com
www.montand.com

RECEIVED OGD
2015 NOV 18 PM 1:22

November 18, 2015

David Catanach, Director
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87501

Hand-Delivered

Re: Energen Resources Corporation
Request for Amendment to Administrative Order NSL-7246⁶
Approving Unorthodox Well Location
Basin-Mancos Gas Pool (97565) 97232
Chaco 23-08-3 Well No. 2H (Horizontal)
API No. 30-045-35646
N/2 Section 3, T23N, R8W (Project Area)
2057' FNL and 187' FEL (H), Section 3 (Amended Surface)
2260' FNL and 330' FWL (E), Section 3 (Amended Bottom Hole)
Completed Interval (Amended): 2260' FNL and 700' FEL (entry
point) to 2260' FNL and 330' FWL, Section 3
T23N, R8W, NMPM
San Juan County, New Mexico

Dear Mr. Catanach:

On behalf of Energen Resources Corporation ("Energen") and pursuant to Division Rule 19.15.15.13 and the applicable rules governing the acreage and well location requirements for the Basin-Mancos Gas Pool (97232; Order No. R-12984), we request an amendment to Administrative Order NSL-7246 which approved Energen's request dated February 12, 2015 for a non-standard location for the Chaco 23-08-3 No. 1H well. Administrative Order NSL-7246 issued by the Division on March 5, 2015 approved the following unorthodox location for the well:

2119' FNL and 213' FEL (H), Section 3 (Surface)
2260' FNL and 380' FWL (E), Section 3 (Bottom Hole)
Completed Interval: 2260' FNL and 700' FEL (H) (entry point)
to 2260' FNL and 380' FWL, Section 3, T23N, R8W, NMPM

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

Energen seeks an amendment to NSL-7246 to provide for the drilling of the Chaco 23-08-3 No. 2H at the surface and bottom hole locations described in the caption of this letter, above.

Energen seeks an exception from the well location rules for the following reasons: Order No. R-12984 established special pool rules for the Basin-Mancos Pool as a gas pool with 320 acre spacing units and well location setbacks of 660'. The special pool rules also provide that oil wells located within two miles of certain Gallup oil pools or associated pools identified in Order No. R-12984 are to be drilled and spaced in accordance with the rules applicable to those pools. The spacing unit proposed in this case is located adjacent to the Nageezi - Gallup Oil Pool (47540) and the well is expected to produce oil from a correlative stratum. The current rules for that pool reflect statewide rules and provide that wells shall be located no closer than 330' to the boundary of a unit. However, this pool is not among the pools specified in Order No. R-12984 and therefore, the rules for the pool may not be extended to the proposed well location. Operator experience has established that oil wells located in accordance with the setbacks for gas wells won't efficiently recover all the reserves in the unit and for all these reasons, this application for exception is made necessary.

In this case the well's Completed Interval will be no closer than 330' to the outer boundaries of the N/2 unit and will be located entirely within the Producing Area for the Project Area that would be established with 330' setbacks. The well otherwise complies with statewide locational rules applicable to oil wells. The non-standard spacing unit and well location are also consistent with the established development pattern for horizontal and vertical Mancos oil wells in the area. The amended C-102 plat showing the N/2 Project Area and the proposed location for the Chaco 23-08 3 Well No. 2H is attached as Exhibit A.

In accordance with Division Rules 19.15.4.12 A(2) notification is being provided to those offset interest owners or operators in adjoining spacing units reflected on Exhibit B. Energen Resources Corporation owns and operates the adjoining drilling window in the N/2 N/2 of Section 3 under a single federal lease (NMNM-018463). The Bureau of Land Management is being notified of this application, but no further notification is indicated under the Division's rules.

The Division's Administrative Application Checklist is enclosed and a copy of Administrative Order NSL 7246 is provided for reference.

David Catanach, Director
November 18, 2015
Page 3

Thank you for your consideration of this request. Should more information be required, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "J. Scott Hall". The signature is fluid and cursive, with the first name "J." and last name "Hall" being more distinct than the middle name "Scott".

J. Scott Hall

JSH:dl

Enclosure

cc (w/encs.): Michael McMillan, NMOCD (email)

Dean Price, Energen Resources Corporation (email)

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



**MONTGOMERY
& ANDREWS**
LAW FIRM

J. SCOTT HALL
Cell: (505) 670-7362
Email: shall@montand.com
www.montand.com

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-7246
Approving Unorthodox Well Location
Basin-Mancos Gas Pool (97565)**

**Chaco 23-08-3 Well No. 2H (Horizontal)
API No. 30-045-35646
N/2 Section 3, T23N, R8W (Project Area)
2057' FNL and 187' FEL (H), Section 3 (Amended Surface)
2260' FNL and 330' FWL (E), Section 3 (Amended Bottom Hole)
Completed Interval (Amended): 2260' FNL and 700' FEL (entry
point) to 2260' 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. 2-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.

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.

A handwritten signature in black ink, appearing to read "J. Scott Hall", written in a cursive style.

J. Scott Hall

JSH:dl
Enclosures

CONSENT:

By: _____

(Print Name)

NOTICE LIST

CHACO 23-08-3 WELL NO. 2-H

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



Date: 12/15/2015

From: Don Lehman
Geologic Manager San Juan Basin

To: Dean Price
District Landman, San Juan Basin

RE: NSL - 7246 - A; CHACO 23 - 8 - 3 #2H
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.

A handwritten signature in black ink, appearing to read "D. Lehman".

Donald D. Lehman

DISTRICT I1625 N. French Dr., Hobbs, N.M. 88240
Phone: (505) 393-6161 Fax: (505) 393-0720**DISTRICT II**811 S. First St., Artesia, N.M. 88210
Phone: (505) 748-1283 Fax: (505) 748-9720**DISTRICT III**1000 Rio Arriba Rd., Aztec, N.M. 87410
Phone: (505) 334-6178 Fax: (505) 334-6170**DISTRICT IV**1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462State of New Mexico
Energy, Minerals & Natural Resources DepartmentForm C-102
Revised August 1, 2011Submit 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

¹ API Number 30-045-35646	² Pool Code 97232	³ Pool Name BANCOS MANCOS GAS
⁴ Property Code 315301	⁵ Property Name CHACO 23-08-3	⁶ Well Number 2H
⁷ GRID No. 162928	⁸ Operator Name ENERGEN RESOURCES CORPORATION	⁹ Elevation 6911.8'

¹⁰ 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		2057'	NORTH	187'	EAST	SAN JUAN

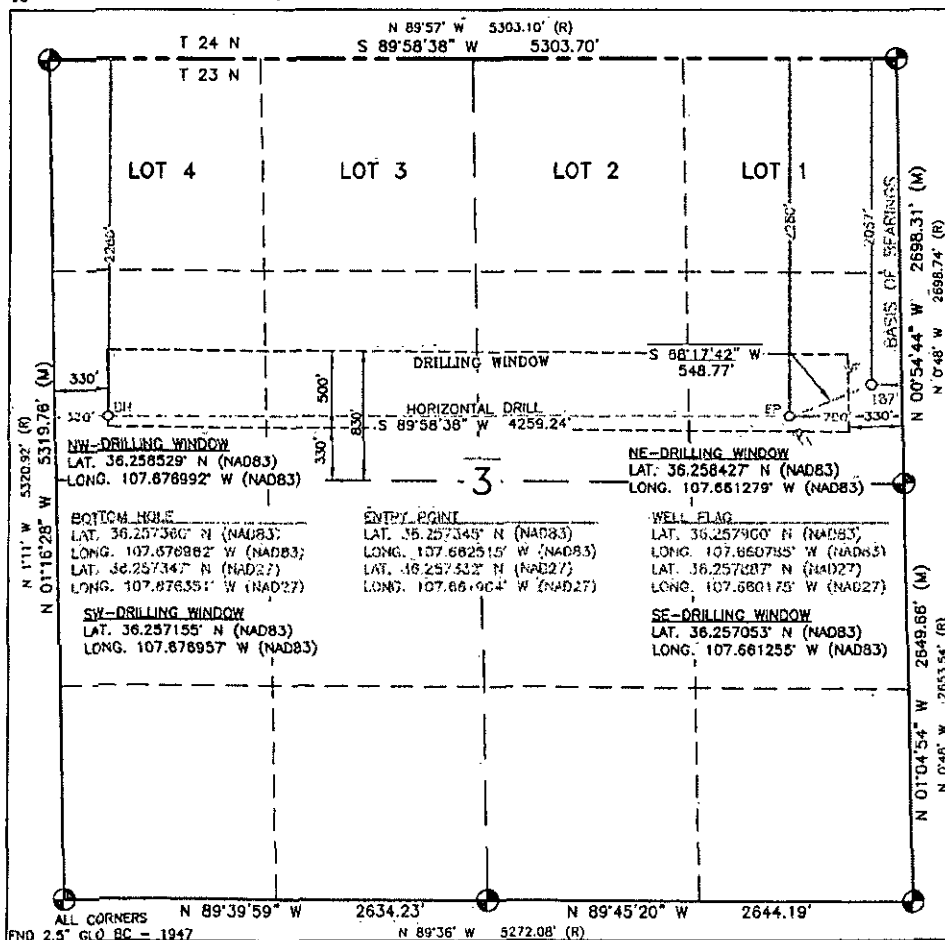
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	3	23N	8W		2260'	NORTH	330'	WEST	SAN JUAN

¹² Dedicated Acres 323.20 ACRES - S/2 N/2 LOTS 1 THRU 4 OF SECTION 3	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. NSL-7246-0
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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

16

**17 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 to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

11/04/15

Signature

Date

Anna Stotts

Printed Name

astotts@energen.com

E-mail Address

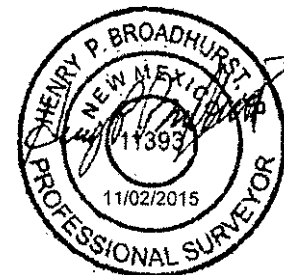
SURVEYOR CERTIFICATION

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.

OCTOBER, 2015

Date of Survey

Signature and Seal of Professional Surveyor:



Certificate Number

11393

EXHIBIT A

NOTICE LIST

CHACO 23-08-3 WELL NO. 2-H

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



**MONTGOMERY
& ANDREWS**
LAW FIRM

J. SCOTT HALL
Cell: (505) 670-7362
Email: shall@montand.com
www.montand.com

November 18, 2015

David Catanach, Director
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87501

Hand-Delivered

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Request for Amendment to Administrative Order NSL-7246
Approving Unorthodox Well Location
Basin-Mancos Gas Pool (97565)**

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API No. 30-045-35646
N/2 Section 3, T23N, R8W (Project Area)
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T23N, R8W, NMPM
San Juan County, New Mexico**

Dear Mr. Catanach:

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to 2260' FNL and 380' FWL, Section 3, T23N, R8W, NMPM**

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

David Catanach, Director
November 18, 2015
Page 2

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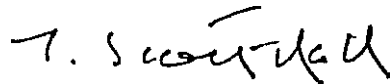
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The Division's Administrative Application Checklist is enclosed and a copy of Administrative Order NSL 7246 is provided for reference.

David Catanach, Director
November 18, 2015
Page 3

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Very truly yours,

A handwritten signature in black ink, appearing to read "J. Scott Hall". The signature is fluid and cursive, with a prominent horizontal line across the middle.

J. Scott Hall

JSH:dl

Enclosure

cc (w/encs.): Michael McMillan, NMOCD (email)

Dean Price, Energen Resources Corporation (email)

NOTICE LIST

CHACO 23-08-3 WELL NO. 2-H

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 9299

U.S. Postal Service [®]	
CERTIFIED MAIL [®] RECEIPT	
Domestic Mail Only	
For delivery information, visit our website at www.usps.com .	
Certified Mail Fee	\$ 7.67
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage	\$
Sent To	Encana Oil & Gas (USA) Inc.
Street and Apt.	6584 E. Main Street
City, State, Zip	Farmington, NM 87401
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

7015 1730 0000 9833 9312

U.S. Postal Service [®]	
CERTIFIED MAIL [®] RECEIPT	
Domestic Mail Only	
For delivery information, visit our website at www.usps.com .	
Certified Mail Fee	\$ 7.67
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage	\$
Sent To	WPX Energy Production LLC
Street and Apt.	4400 One Williams Center
City, State, Zip	Tulsa, OK 74172-0144
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

7015 1730 0000 9833 9305

U.S. Postal Service [®]	
CERTIFIED MAIL [®] RECEIPT	
Domestic Mail Only	
For delivery information, visit our website at www.usps.com .	
Certified Mail Fee	\$ 7.67
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage	\$
Sent To	Dugan Production Company
Street and Apt.	709 East Murray Drive
City, State, Zip	Farmington, NM 87401
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

7015 1730 0000 9833 9329

U.S. Postal Service [®]	
CERTIFIED MAIL [®] RECEIPT	
Domestic Mail Only	
For delivery information, visit our website at www.usps.com .	
Certified Mail Fee	\$ 7.67
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage	\$
Sent To	Bureau of Land Management
Street and Apt.	6251 College Boulevard
City, State, Zip	Farmington, NM 87402
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

9590 9401 0121 5225 6599 35

2. Article Number (Transfer from service label)

7015 1730 0000 9833 9299

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

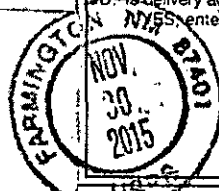
x *[Signature]*☐ Agent☐ Addressee

B. Received by (Printed Name)

Shaw Ford

C. Date of Delivery

11/30/15

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over \$500)

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☒ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Dugan Production Company
709 East Murray Drive
Farmington, NM 87401

9590 9401 0121 5225 6599 28

2. Article Number (Transfer from service label)

7015 1730 0000 9833 9305

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

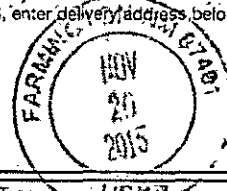
A. Signature

x *[Signature]*☐ Agent☐ Addressee

B. Received by (Printed Name)

Gene L. Woodside

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over \$500)

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☒ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

540 9401 0121 5225 6599 11

2. Article Number (Transfer from service label)

7015 1730 0000 9833 9312

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Insured Mail☐ Insured Mail Restricted Delivery (over \$500)☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☒ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Bureau of Land Management
6251 College Boulevard
Farmington, NM 87402

9590 9401 0121 5225 6599 04

2. Article Number (Transfer from service label)

7015 1730 0000 9833 9329

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Insured Mail☐ Insured Mail Restricted Delivery (over \$500)☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☒ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

[Wells](#) [Operator Data](#) [OCD Review](#) [OCD Only](#) [Administration](#)

OCD Permitting

[Home](#) [Land Searches](#) [Land Details](#)

Section : 03-23N-08W

Type: Normal

Total Acres: 643.2

County: San Juan (45)

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

Note ¹ = Surface Owner RightsNote ² = 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

Susana 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-7246
Administrative Application Reference No. pMAM1504359168

Energen Resources Corporation
OGRID 162928
Chaco 23-08-3 Well No. 2H
API No. 30-045-pending

Proposed Location:

	Footages	Unit	Sec.	Twsp	Range	County
Surface	2119' FNL & 213' FEL	H	3	23N	8W	San Juan
Penetration Point	2260' FNL & 700' FEL	H	3	23N	8W	San Juan
Terminus (Final penetration)	2260' FNL & 380' FWL	E	3	23N	8W	San Juan

Proposed Project Area:

Description	Acres	Pool	Pool Code
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.

Administrative Order NSL-7246
Energen Resources Corporation
March 5, 2015
Page 2 of 2

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