

DATE IN 8/1/06	SUSPENSE 8-21-06	ENGINEER MIKE STOGNER	LOGGED 8/2/06	TYPE SD PTDS0621438122
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

Carson #2008

ADMINISTRATIVE APPLICATION COVERSHEET

2006 JUL 31 PM 2 46

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

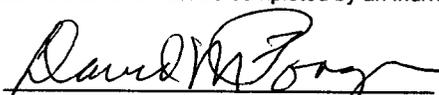
[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] [] 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  District Landman 7/31/06
 Print or Type Name Signature Title Date

July 28, 2006

New Mexico Oil conservation Division
Attn: Michael E. Stogner
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Administrative Approval of Simultaneous Dedication
Carson #200S
745' FNL and 1345' FEL (Surface)
760' FNL and 760' FWL (Bottom Hole)
Section 7-T30N-R4W
Rio Arriba County, New Mexico

Dear Mr. Stogner:

Energen Resources Corporation (Energen) hereby requests Administrative Approval for a simultaneous dedication of its Carson #200S Fruitland Coal well under the Provisions of New Mexico Oil Conservation Division (NMOCD) order R-8768.

This well is located as shown above in Section 7-T30N-R4W, Rio Arriba County, New Mexico and dedicated to a spacing unit consisting of the N/2 of Section 7, in the Basin Fruitland Coal gas pool. There is an existing vertical Fruitland Coal well in the NE/4 (Carson 200) which is presently producing.

This Carson 200S was a horizontal well projected to bottom hole in the NW/4. This horizontal well has formation open to production which is 40' into the NE/4 and conflicts with production from the initial well in the spacing unit which is already in the NE/4. This was caused by a mechanical tool failure as explained on the attached Exhibit "A".

A copy of this application is being sent to all affected owners by certified mail-return receipt request with a request that they furnish your office any objections within twenty (20) days of receipt of this application.

Attached is a well location plat showing dedicated acreage (C102), a well profile, a plat showing the offsetting spacing units and Fruitland coal wells and a topographic map.

Your favorable consideration of this request is appreciated.

Sincerely,



David Poage
District Landman

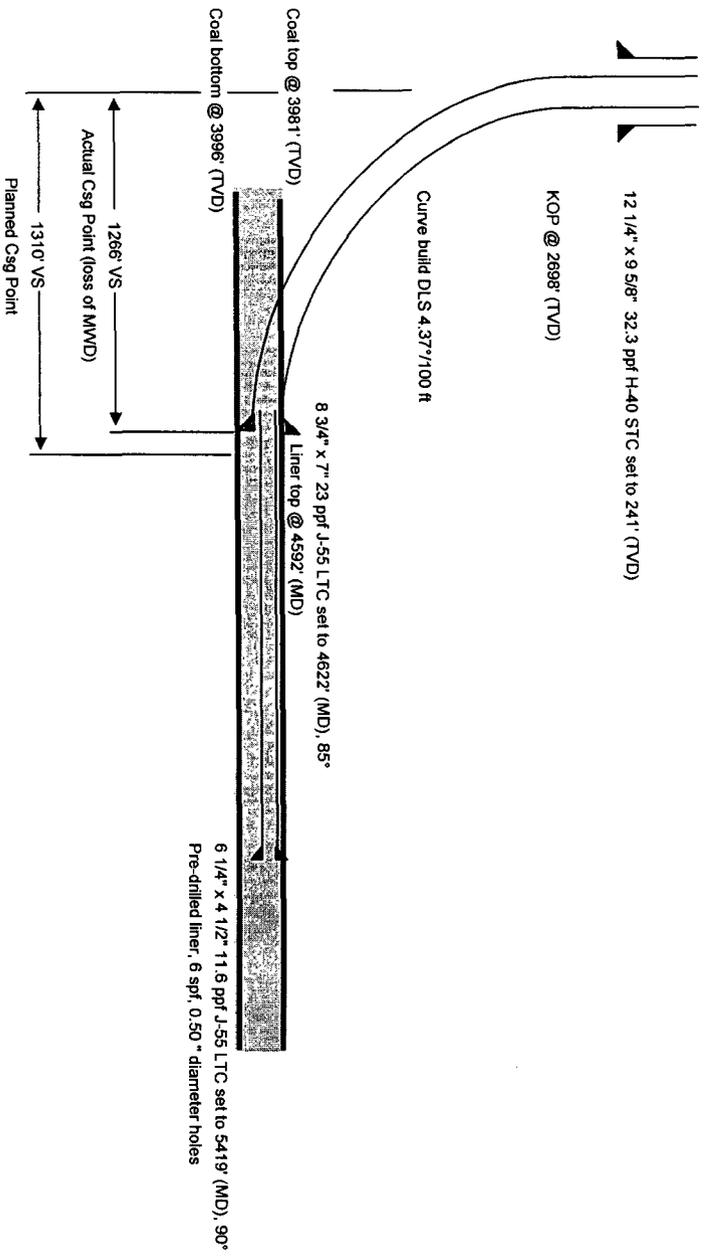
Exhibit "A"

The Carson #200S offset well was twinned off the parent Carson #200 wellpad. It was planned to be drilled directionally into the offset production window located in the NW quarter of section 7, township 30N, range 4W with a horizontal wellbore through this spacing unit.

Due to Measurement While Drilling (MWD) tool failure, the intermediate casing was set 44 lineal feet (1266' of vertical section) before the actual planned setting point with a vertical section of 1310'. Without MWD, it was not possible to determine tool orientation to continue drilling the last 44' of vertical section prior to landing the intermediate wellbore curve.

The distance from the wellhead to the western spacing unit line is 1296 lineal feet as noted on the attached C-102. The production window for the offset well is located at 1306 lineal feet from the wellhead. This gives rise to 40 lineal feet open to production which conflicts with current in place offset spacing unit regulations.

Carson #200S Well Profile:



DISTRICT I
1826 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C--102
Revised August 15, 2000

DISTRICT II
611 South First, Artesia, N.M. 88210

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Asteo, N.M. 87410

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		71629	BASIN FRUITLAND COAL
Property Code	Property Name		Well Number
	CARSON		200S
OGRID No.	Operator Name		Elevation
162928	ENERGEN RESOURCES CORPORATION		7233'

10 Surface Location

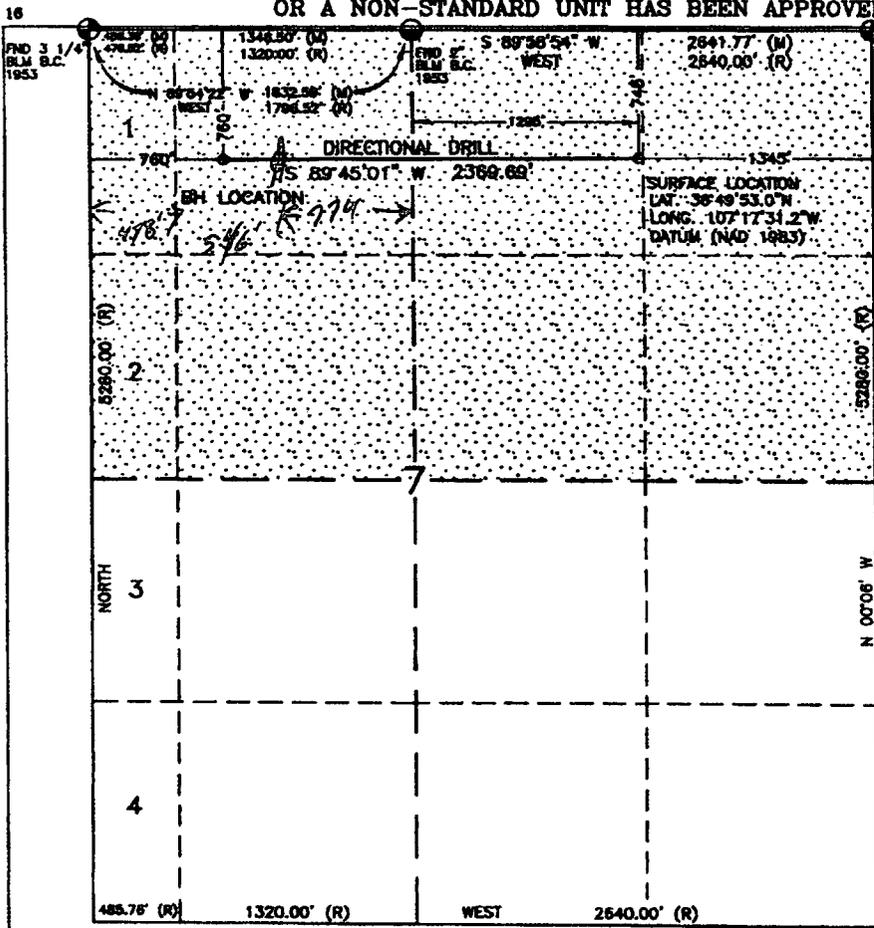
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	7	30N	4W		745'	NORTH	1345'	EAST	RIO ARRIBA

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
D	7	30N	4W		760'	NORTH	760'	WEST	RIO ARRIBA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
271.20 Acres - (N/2)			

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.

Signature _____
Printed Name _____
Title _____
Date _____

18 SURVEYOR CERTIFICATION

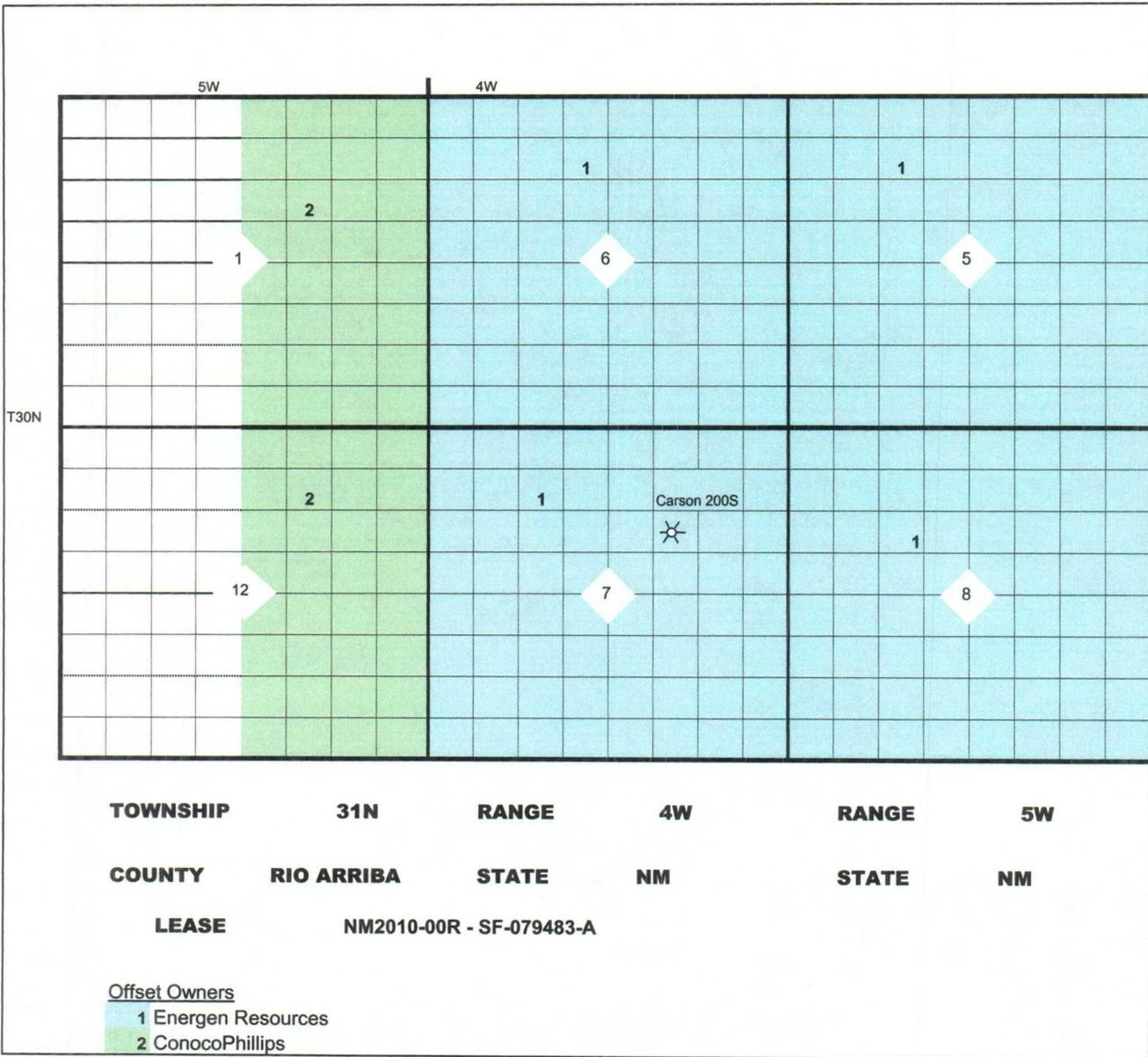
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

NOVEMBER 23, 2005
Date
Signature and Seal of Professional Surveyor:

Certificate Number 10201

478
1320
1798
774
1024 FWL
1320
774
596
1320
1798
774
596
①

CARSON #200s
 NM2010-00R



CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

09/08/06 13:54:09
OGOEM -TQ05
PAGE NO: 1

Sec : 07 Twp : 30N Rng : 04W Section Type : NORMAL

1 14.47 Federal owned	C 40.00 Federal owned	B 40.00 Federal owned	A 40.00 Federal owned
2 14.54 Federal owned	F 40.00 Federal owned	G 40.00 Federal owned	H 40.00 Federal owned
3 14.61 Federal owned	K 40.00 Federal owned	J 40.00 Federal owned	I 40.00 Federal owned
4 14.68 Federal owned	N 40.00 Federal owned	O 40.00 Federal owned	P 40.00 Federal owned