



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

September 28, 2007

Energen Resources Corporation

Attn: David M. Poage

2198 Bloomfield Hwy

Farmington, NM 87401

Administrative Order NSL-5689

Re: San Juan 30-4 Unit Well No. 33C

API No. 30-039-27836

N-31-30N-4W

Rio Arriba County

Dear Mr. Poage:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS07-24151268**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on August 29, 2007, and

(b) the Division's records pertinent to this request.

Energen Resources Corporation (Energen) has requested to complete its San Juan 30-4 Unit Well No. 33C (API No. 30-039-27836) at an unorthodox Mesaverde gas well location, 660 feet from the South line and 1800 feet from the West line (Unit N) of Section 31 Township 30 North, Range 4 West, N.M.P.M., in Rio Arriba County, New Mexico. Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 31 will be dedicated to this well. This is a previously approved non-standard 205.88-acre gas spacing and proration unit in the Blanco-Mesaverde Gas Pool (72319).

Spacing in this pool is governed by Rules I.A and I.C of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool, as amended by Order No. R-10987-A(1), effective December 2, 2002, which provide for 320-acres units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from the eastern boundary of the spacing unit.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that Energen is seeking this location for topographic reasons, and to comply with United States Bureau of Land Management surface location requirements.

It is also understood although notice has been given to various owners, no notice is required because both the subject spacing unit and the offsetting Mesaverde unit to the east are included in the same Mesverde Participating Area of the San Juan 30-4 Unit.

Pursuant to the authority granted by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

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

Sincerely,

A handwritten signature in dark ink, appearing to read 'Mark E. Fesmire', is written over a horizontal line.

Mark E. Fesmire, P.E.
Director

MEF/db

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