



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

May 19, 1999

Energen Resources Corporation
2198 Bloomfield Highway
Farmington, New Mexico 87401
Attention: Richard P. Corcoran

Administrative Order NSL-4285

Dear Mr. Corcoran:

Reference is made to your application dated April 28, 1999 for an exception to the well location requirements provided within the "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by New Mexico Oil Conservation Division ("Division") Order No. R-10987-A, issued in Case No. 12069 dated February 1, 1999. The E/2 of Section 24, Township 32 North, Range 6 West, NMPM, Rio Arriba County, New Mexico is to be dedicated to the proposed well in order to form a standard 320-acre stand-up gas spacing and proration unit for the Blanco-Mesaverde Pool.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing the Blanco-Mesaverde Pool.

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox gas well location in Section 24 is hereby approved:

San Juan "32-5" Unit Well No. 12-A
685' FSL & 620' FEL (Unit P)
(API No. 30-039-26157).

Further, the aforementioned well and spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington