

DATE IN <u>7/17/09</u>	SUSPENSE	ENGINEER <u>Brooks</u>	LOGGED <u>7/17/09</u>	PTG-W TYPE <u>0919849929</u>
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NSL

ABOVE THIS LINE FOR DIVISION USE ONLY
NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -

30-039-24045
Cullens Fed #5

Cullins Federal #5

ADMINISTRATIVE APPLICATION COVERSHEET *Energem*

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

(162928)

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 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

2009 JUL 21 A 2:05
 RECEIVED OOD

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

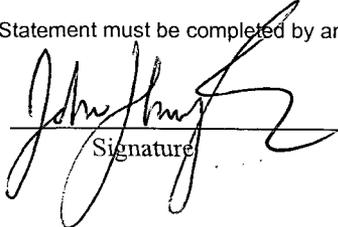
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

NSL-6065

[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.

<u>John Harrington</u> Type Name	 Signature	<u>Landman</u> Title	<u>7/13/09</u> Date
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CERTIFIED MAIL
7007 2680 0002 5579 7454

July 13, 2009

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: **Administrative Approval of Unorthodox Location**
Cullins Federal #5 (API# 30-039-24045)
2,150' FNL & 2,150' FEL
TWP24N, R3W Sec. 4
Rio Arriba County, New Mexico

Dear Sir or Madam:

Energen Resources Corporation (Energen) hereby requests Administrative Approval for an Unorthodox Location of its Cullins Federal #5 as it pertains to the recent pay-add of the South Blanco Pictured Cliffs Formation approved March 14, 2008.

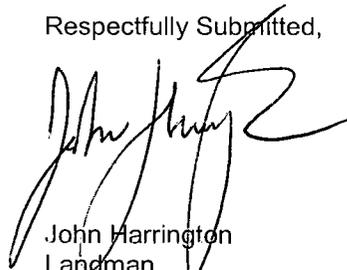
The well is located 2,150' FNL & 2,150' FEL of Township 24 North, Range 3 West Section 4, Rio Arriba County, New Mexico and dedicated to a standard 160.00 acre gas spacing unit consisting of the NE/4 of said Section 4, in the South Blanco Pictured Cliffs Formation. The Cullins Federal #5 was originally approved as a standard NE/4 160.00 acre spacing unit Dakota well in June of 1986.

The Cullins Federal #5 as situated is in accordance with the pooling set back rules for the West Lindrith Gallup-Dakota formation as originally permitted. However, the South Blanco Pictured Cliffs pooling rules call for a 660' set-back. The above referenced pay-add creates an unorthodox location relative to the South Blanco Pictured Cliffs formation.

As located the Cullins Federal #5 is not in accordance with the allotted backs for the South Blanco Pictured Cliffs formation on the western and southern boundaries of the NE/4. Attached is a plat depicting Energen as the lease holder for the entire Section 4, effectively covering the encroached upon quarter section lines.

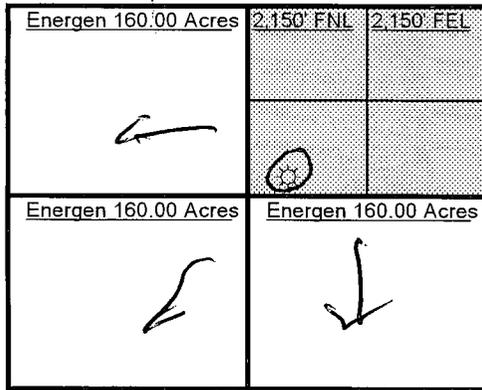
Please advise if any additional information is required. Your favorable consideration of this request would be greatly appreciated.

Respectfully Submitted,



John Harrington
Landman
505.324.4169

**Energen Resources Corporation
Cullins Federal # 5: NE/4 160.00 Acres
Offset Operator / Owner Plat
Surface to Base of the Dakota
Section 4, Township 24 North, Range 3 West**



Lease Owner Energen Resources
USA NM SF-080472
amongst other lands lease covers the
entire 640.00 Acres of TWP 24N, RNG 3W
SEC.4 from the surface to the base of the
Dakota ✓

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-102
Revised October 12, 2005

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

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

35 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-24045		² Pool Code 72439		³ Pool Name South Blanco Pictured Cliffs	
⁴ Property Code 21899		⁵ Property Name Cullins Federal			⁶ Well Number 5
⁷ OGRID No. 162928		⁸ Operator Name Energen Resources Corporation			⁹ Elevation 7158'

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
G	04	24N	03W		2150	North	2150	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

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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		<p>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.</p> <p><i>Vicki Donaghey</i> 07/10/09 Signature Date</p> <p>Vicki Donaghey Printed Name</p>	
			<p>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.</p> <p>May 1986 Date of Survey</p> <p>Signature and Seal of Professional Surveyer: original survey conducted and recorded by: Norman Cummings</p> <p>96609 Certificate Number</p>