STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF ENERGEN RESOURCES CORPORATION FOR AN AMENDMENT TO ADMINISTRATIVE ORDER NSL-3572 (NSP) AND FOR AN EXCEPTION TO RULE 4 OF THE SPECIAL POOL RULES FOR THE BASIN FRUITLAND COAL GAS POOL FOR THE DESIGNATION OF A NON-STANDARD GAS SPACING UNIT, SAN JUAN COUNTY, NEW MEXICO

CASE NO. 13828

AFFIDAVIT

STATE OF NEW MEXICO)) ss. COUNTY OF SANTA FE)

J. SCOTT HALL, J. SCOTT HALL, attorney and authorized representative of Energen Resources Corporation, the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 1210 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice, as shown by Exhibit "A" attached hereto, and that pursuant to Rule 1210, notice has been given at the correct addresses or last known addresses provided by such rule.

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J. SCOTT HALL

SUBSCRIBED AND SWORN to before me this 29th day of November, 2006.

OFFICIAL SEAL Virginia L. Bell My Compassion ExpiresNOTARY PUBLIC STATE OF NEW My Commission Expires

ia L. Bell Notarv

NMOCD CASE NO. 13828 NOVEMBER 30, 2006 ENERGEN RESOURCES CORP. EXHIBIT NO. 12



PROFESSIONAL ASSOCIATION

Ruth O. Pregenzer Jeffrey E. Jones James J. Widland Bradley D. Tepper** Robin A. Goble James R. Wood Dana M. Kyle Kirk R. Allen Ruth Fuess H. Brook Laskey Paula G. Maynes M. Dylan O'Reilly Jennifer D. Hall Todd A. Schwarz Nell Graham Sale Scott P. Hatcher Ann M. Conway Randall J. McDonald Robert H. Clark Richard L. Alvidrez Kelsey D. Green Marcy Baysinger Caroline Blankenship Matthew S. Rappaport Karen E. Wootton Nicole V. Strauser Joseph L. Romero Kelly A. Stone Deron B. Knoner Patricia A. Bradley T. Aaron Garrett Amy P. Hauser Rebecca M. Alves Alisa R. Wigley-DeLara W. Scott Jaworski Anita M. Kelley Elizabeth B. Driggers Jerome A. O'Connell

Of Counsel

William K. Stratvert James B. Collins Sharon P. Gross Robert D. Taichert

Reply to Santa Fe

150 Washington Ave., Suite 300 Santa Fe, NM 87501

Mailing Address: P.O. Box 1986 Santa Fe, NM 87504-1986

Telephone: (505) 989-9614 Facsimile: (505) 989-9857

Writer's Direct E-Mail: shall@mstlaw.com

Board Certified Specialist: Natural Resources - Oil & Gas Law
Board Certified Specialist: Real Estate Law

November 7, 2006

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Ben Malone ConocoPhillips 3401 East 30th Street Farmington, New Mexico 87402

> Re: NMOCD Case No. _____; In the Matter of the Application of Energen Resources Corporation for an Amendment to Administrative Order NSL-3572 (NSP) and for an Exception to Rule 4 of the Special Pool Rules for the Basin Fruitland Coal Gas Pool for the Designation of a Non-Standard Gas Spacing Unit, San Juan County, New Mexico

Dear Mr. Malone:

Ranne B. Miller

Alice T. Lorenz

Stephen M. Williams

Stephan M. Vidmar

Seth V. Bingham

Timothy R. Briggs

Deborah A. Solove

Lawrence R. White

Virginia Anderman

Marte D. Lightstone

Rudolph Lucero

Gary L. Gordon

J. Scott Hall*

Thomas R. Mack

Thomas M. Domme

This will advise that Energen Resources Corporation has filed an Application with the New Mexico Oil Conservation Division seeking an order under Division Rule 104 (D)(2) and Rule 6 of the Special Rules and Regulations for the Basin Fruitland Coal Gas Pool (Order No. R-8768, as amended) amending Administrative Order NSL-3572 (NSP) redesignating the nonstandard gas spacing and proration unit currently dedicated to the Florence Gas Com "H" Well No. 1 (API No. 30-045-28624) comprised of the following acreage: Township 30 North, Range 9 West, NMPM; Lots 1, 2, 3, 4, and E/2 W/2 of Section 30 and consisting of 207.84 acres. Applicant proposes that the gas spacing and proration unit be redesignated to conform with the pre-existing Mesaverde formation spacing and proration comprised of the following lands: Township 30 North, Range 9 West, NMPM; Lots 3, 4, E/2 SW/4 of Section 30 and Lots 1, 2, 3, 4, E/2 W/2 of Section 31 and consisting of 308.56 acres, \pm . A copy of the application is enclosed.

LAW OFFICES

ALBUQUERQUE (505) 842-1950 FARMINGTON (505) 326-4521 LAS CRUCES (505) 523-2481 Ben Malone ConocoPhillips November 7, 2006 Page 2

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This application will be set for hearing before a Division Examiner at 8:15 a.m. on November 30, 2006, at the New Mexico Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time.

Very truly yours,

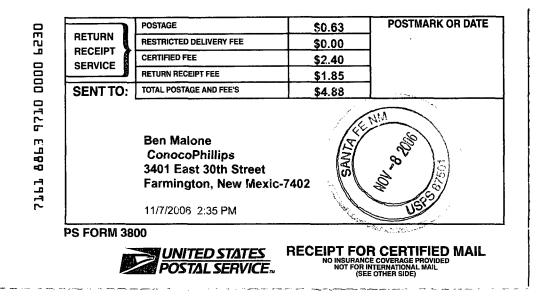
MILLER STRATVERT P.A.

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J. Scott Hall

JSH/glb Enclosure

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** Board Certified Specialist: Real Estate Law

November 7, 2006

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Bureau of Land Management Farmington Field Office 1235 La Plata Highway, Suite A Farmington, New Mexico 87401

> Re: NMOCD Case No. _____; In the Matter of the Application of Energen Resources Corporation for an Amendment to Administrative Order NSL-3572 (NSP) and for an Exception to Rule 4 of the Special Pool Rules for the Basin Fruitland Coal Gas Pool for the Designation of a Non-Standard Gas Spacing Unit, San Juan County, New Mexico

Dear Sirs:

This will advise that Energen Resources Corporation has filed an Application with the New Mexico Oil Conservation Division seeking an order under Division Rule 104 (D)(2) and Rule 6 of the Special Rules and Regulations for the Basin Fruitland Coal Gas Pool (Order No. R-8768, as amended) amending Administrative Order NSL-3572 (NSP) redesignating the nonstandard gas spacing and proration unit currently dedicated to the Florence Gas Com "H" Well No. 1 (API No. 30-045-28624) comprised of the following acreage: Township 30 North, Range 9 West, NMPM; Lots 1, 2, 3, 4, and E/2 W/2 of Section 30 and consisting of 207.84 acres. Applicant proposes that the gas spacing and proration unit be redesignated to conform with the pre-existing Mesaverde formation spacing and proration comprised of the following lands: Township 30 North, Range 9 West, NMPM; Lots 3, 4, E/2 SW/4 of Section 30 and Lots 1, 2, 3, 4, E/2 W/2 of Section 31 and consisting of 308.56 acres, \pm . A copy of the application is enclosed.

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LAS CRUCES (505) 523-2481 Bureau of Land Management November 7, 2006 Page 2

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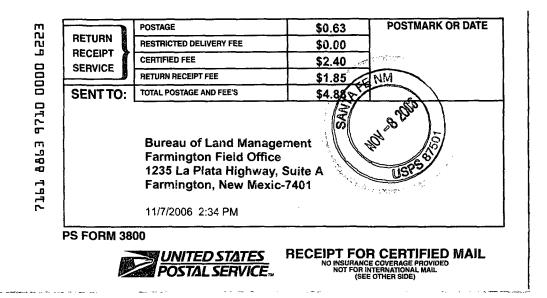
MILLER STRATVERT P.A.

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J. Scott Hall

JSH/glb Enclosure

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DETERMINATION - APPROVAL - CERTIFICATION

Pursuant to the authority vested in the Secretary of the Interior, under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat.784; 30 U.S.C. 226(j), and delegated to the authorized officer, of the Bureau of Land Management, I do hereby:

- Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program -established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest.
- B. Approve the attached communitization agreement covering Lots 3,4, E¹/₂SW¹/₃ (SW¹/₃) of sec. 30, and Lots 1, 2, 3, 4, E¹/₂W¹/₃ (W¹/₃) of sec. 31, all in T. 30 N., R. 9 W., NMPM, San Juan County, New Mexico, as to natural gas and associated liquid hydrocarbons producible from the Fruitland Coal formation. This approval will become invalid should the public interest requirements under section 3105.2-3(c) not be met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.
- D. Approval of this agreement does not warrant or certify that the applicant and other working interest owners thereof hold legal or equitable title to the leases which are committed hereto.

Approved: 4/24/43 CHIEF, BRANCH OF RESERVOIR MANAGEMENT

Effective: February 12, 1993

Contract No.: Com. Agr. NMNM 89367

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COUNTY CLERK) DEPUTY Lay Kandlemon REC # 071334 FES 94.500		5/