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August 8, 2001

## **BY HAND-DELIVERY:**

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

> Re: NMOCD Case No. 12614 (Administrative); Application of Energen Resources Corporation for Expansion of Injection Authority, Langlie Lynn Queen Unit, Lea County, New Mexico

Dear David:

By administrative application, Energen Resources Corporation sought the expansion of its injection authority under Order No. R-4417 and WFX-581 to include eight additional wells on the Langlie-Lynn Queen Unit waterflood project. You will recall that, due to an objection lodged by Lanexco, Inc., two wells were eliminated from the proposed expansion. Out of precaution, the matter was set for hearing before Examiner Stogner on March 8, 2001. After notice and advertisement, neither Lanexco or any other party appeared in opposition to the application at the hearing and the matter was taken under advisement.

To facilitate your consideration of this matter, I've taken the liberty preparing the enclosed draft order in hard-copy and on disk. While preparing the order, I noticed in the Injection Well Data Sheet materials submitted with the administrative application that the Injection Formation is identified as the "Seven Rivers-Queen-Grayburg" formation. While I believe the vertical limits of the Langlie-Mattix Pool include the Grayburg, Energen seeks to inject only into the Seven Rivers and Queen formations. Language to this effect is reflected in the draft order and is consistent with David Catanach 08/08/01 Page 2

the existing injection authority under Order No. R-4417 and WFX-581. Copies of these earlier orders are also enclosed.

If there is any other information that I can provide, please let me know.

Very Truly Yours,

MILLER, STRATVERT & TOGERSON, P.A.

1. Joy-dull

J. Scott Hall

JSH:ao Enclosure(s) – as stated

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