

Energen Resources  
Ex. No. 1  
NMOCD Case No. 12728  
September 20, 2001

July 31, 2001

Mr. Michael E. Stogner  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION  
AND NON-STANDARD SPACING UNITS  
SAN JUAN 32-5 UNIT #111 WELL (FRUITLAND COAL)  
1005' FNL AND 740' FWL SECTION 31  
SAN JUAN 32-5 UNIT #112 (FRUITLAND COAL)  
410' FSL AND 150' FEL SECTION 19  
T32N-R5W  
RIO ARriba COUNTY, NEW MEXICO

Dear Mr. Stogner:

Energen Resources Corporation (Energen) requests administrative approval for unorthodox locations and non-standard spacing units for its San Juan 32-5 Unit #111 and #112 wells under the provisions of New Mexico Oil Conservation Division (NMOCD) Order R-8768-B.

The western tier of sections in T32N-R5W are irregular in size with sections 18, 19, 30 and 31 being committed to the San Juan 32-5 Unit. The acreage in each section is as follows:

**Section 18:** Lot 1 (44.48 acres), Lot 2 (44.13 acres), Lot 3 (44.15 acres), Lot 4 (44.41 acres) totaling 177.17

**Section 19:** Lot 1 (44.50 acres), Lot 2 (44.52 acres), Lot 3 (44.52 acres), Lot 4 (44.54 acres) totaling 178.08

**Section 30:** Lot 1 (44.22 acres), Lot 2 (43.59 acres), Lot 3 (43.30 acres), Lot 4 (43.30 acres) totaling 174.41

**Section 31:** Lot 1 (43.11 acres), Lot 2 (42.73 acres), Lot 3 (42.61 acres), Lot 4 (42.73 acres) totaling 171.18

Under Division Order No. 4-1714 dated July 6, 1960 the NMOCD authorized a gas spacing and proration unit for the Blanco Mesaverde Formation comprising all of irregular Sections 30 and 31, T32N-R5W, Rio Arriba County, New Mexico containing 345.59 acres, for the San Juan 32-5 Unit #9 well. By Division Order No. R-1722 dated 7-21-60 the same gas spacing unit was dedicated to the Basin Dakota Pool for the San Juan 32-5 Unit #9 well. Ultimately three (3) additional wells were drilled in this proration unit, two (2) that tested the Mesaverde and Dakota, being the San Juan 32-5 Unit #'s 9M and 9R wells, and a stand alone Mesaverde, the San Juan 32-5 Unit #9C.

Energen is making plans to drill the San Juan 32-5 Unit #111 Fruitland coal well at a location 1005' FNL and 740' FWL of Section 31-T32N-R5W, Rio Arriba County, New Mexico. Approval of a non-standard proration unit for the Fruitland Coal formation consisting of all of Section 30 and 31, containing 345.59 acres is requested. Further, although our proposed location is legal from a footage perspective, since the section consists of four (4) lots and our proposed location is not in the "NE/4" or "SW/4" designation as called for in Rule 7 of Order R-8768-B; if an unorthodox location is required, it is hereby requested.

Under Division Order No. R-2319 dated October 3, 1962 the NMOCD authorized an unorthodox location and non-standard proration unit for the Blanco Mesaverde and Basin Dakota gas pools

Administrative Approval of Unorthodox Location  
and non-standard spacing units  
San Juan 32-5 Unit #111  
San Juan 32-5 Unit #112  
July 31, 2001

comprising all of irregular Sections 18 and 19, T32N-R5W, NMPM, Rio Arriba county, New Mexico, containing 355.25 acres in conjunction with drilling the San Juan 32-5 Unit #1X well. Subsequently Energen drilled the San Juan 32-5 Unit #1R Mesaverde well 455' FSL and 1,275' FEL of Section 19-T32N-R5W.

Energen is making plans to drill its San Juan 32-5 Unit #112 Fruitland Coal well at a location 410' FSL and 1,320' FEL of Section 19-T32N-R5W, Rio Arriba County, New Mexico. Approval of a non-standard proration unit for the Fruitland Coal formation consisting of all of Section 18 and 19, containing 355.25 acres is requested. Further our proposed location is not in the NE/4 or SW/4 of Section 19 and is located closer than 660' from the section line, requiring we request an unorthodox location designation.

As section 19 is 1,470' wide and the terrain is extremely rough there are very limited possibilities for a well site. Consequently we intend to locate this well on the same pad as the San Juan 32-5 Unit #1R which we drilled last year. Energen was required by the Bureau of Land Management to move the #1R well to its location to minimize cut and fill and to reduce visual impact of the location, which was approved by the NMOCD under order NSL-4482 (NSP) on July 6, 2000.

For the forgoing reasons Energen Resources Corporation respectfully requests Administrative approval of nonstandard spacing units and unorthodox locations for the above described wells.

A copy of this application is being submitted to all offset operators or interest owners by certified mail with a request that they furnish your office in Santa Fe with a Waiver of Objection.

Attached is a well location plat showing acreage, a topographic plat of the area and a map showing all offsetting operators.

Sincerely,



Richard P. Corcoran  
District Landman

RPC/ga

Enclosures

cc: NMOCD-Aztec, BLM-Farmington, Offset Operators

IN	SUSPENSE	ENGINEER	LOGGED	TYPE
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -

**ADMINISTRATIVE APPLICATION COVERSHEET**

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

**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]

**TYPE OF APPLICATION - Check Those Which Apply for [A]**

[A] Location - Spacing Unit - Directional Drilling  
[X] NSL [X] 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

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

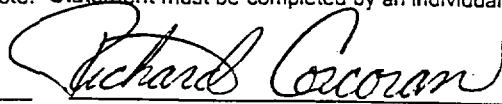
[A] [ ] Working, Royalty or Overriding Royalty Interest Owners  
[B] [X] Offset Operators, Leaseholders or Surface Owner  
[C] [ ] Application is One Which Requires Published Legal Notice  
[D] [ ] Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of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

**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, 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.

Richard P. Corcoran  
Print or Type Name

  
Signature

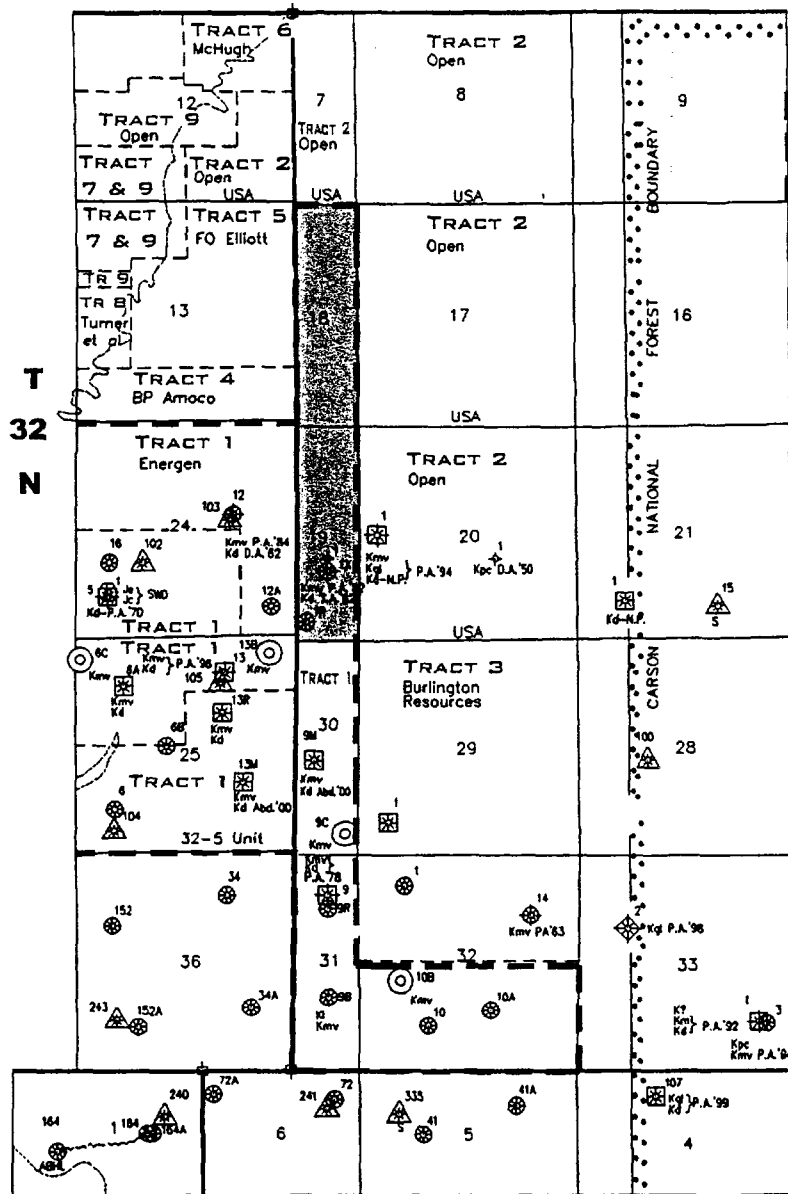
District Landman  
Title

7-31-01  
Date

See T. 22-516-1110

R - 6 - W

R - 5 - W

T  
32  
N

## PRODUCING INTERVAL

- ▲ FRUITLAND Kfc  
 \* PICTURED CLIFFS Kpc  
 ● MESAVERDE Kmv { Kch CLIFFHOUSE  
 Kch MENETEE  
 Kch POINT LOOKOUT  
 ■ DAKOTA Kd

----- LEASE SUBDIVISIONS

 ----- SAN JUAN 32-5 UNIT  
 BOUNDARY

⊙ 2001 NEW DRILL

T  
31  
N

R - 6 - W

R - 5 - W

- TRACT 1** Energien Resources Corporation All: Sec. 30, T32N-R5W  
 All: Sec. 24 & 25, T32N-R6W  
**TRACT 2** Open/BLM All: Sec. 7, 8, 17, & 20, T32N-R5W  
 NE SE, S/2 SE: Sec. 12, T32N-R6W  
**TRACT 3** Burlington Resources All: Sec. 29, T32N-R5W  
**TRACT 4** BP Amoco S/2 S/2: Sec. 13, T32N-R6W  
**TRACT 5** F.O. Elliott NE/4, N/2 SE, SE NW, NE SW:  
 Sec. 13, T32N-R6W  
**TRACT 6** McHugh Companies NE/4: Sec. 12, T32N-R6W  
**TRACT 7** T.H. McElvain S/2 SW/4: Sec. 12, N/2 NW: Sect.13  
 T32N-R6W  
**TRACT 8** J. Glenn Turner, et al S/2 SW/4 NW/4, S/2 N/2 SW NW,  
 NWSW: Sect.13 T32N-R6W  
**TRACT 9** Unleased Mineral Owners SW, NW SE: Sec. 12, N/2 NW/4, N/2  
 N/2 SW/4 NW/4: Sec. 13, T32N-R6W

**ENERGEN**  
 RESOURCES

 ENERGEN RESOURCES  
 CORPORATION  
 2198 Bloomfield Hwy  
 Farmington, NM 87401

## OFFSET OPERATOR/OWNERS

 32  
**SAN JUAN 32-5 UNIT #112 WELL**

410' FSL &amp; 1320' FEL, SEC. 19, T32N-R5W

RIO ARRIBA CO., NEW MEXICO

June, 2001

SCALE: N.T.S.

# Energen Resources Corporation

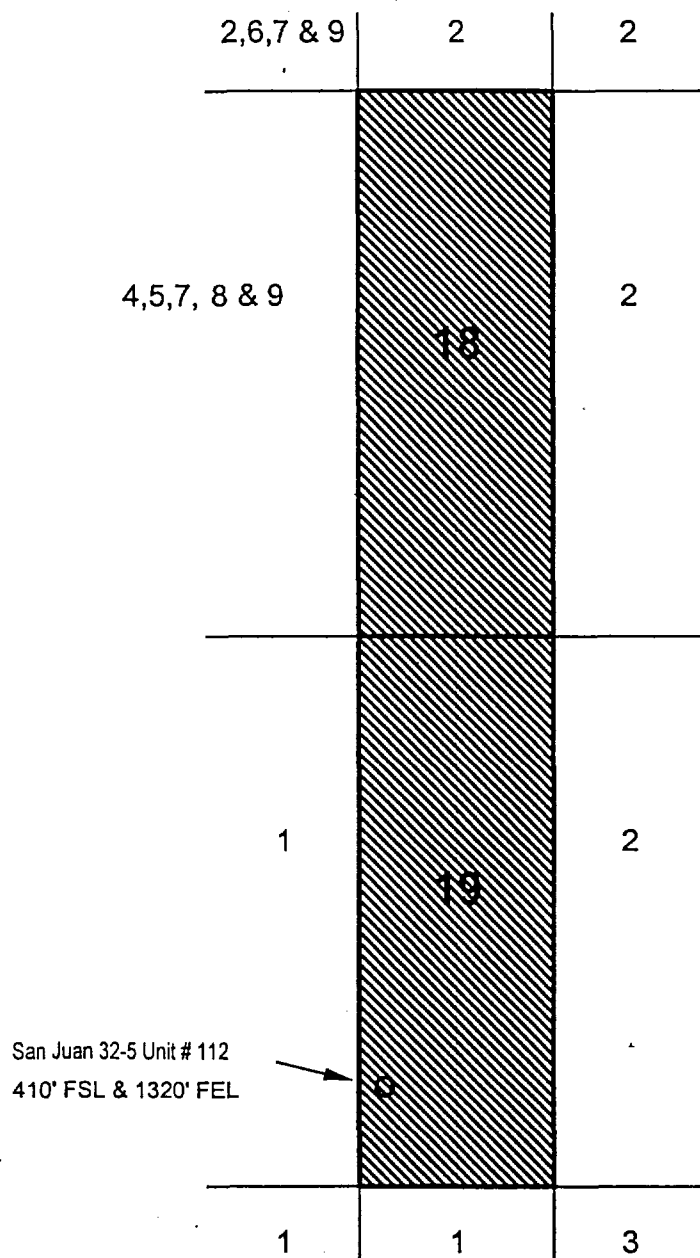
OFFSET OPERATOR \ OWNER PLAT

San Juan 32-5 Unit #112

Fruitland Coal Formation

Township 32 North - Range 5 West

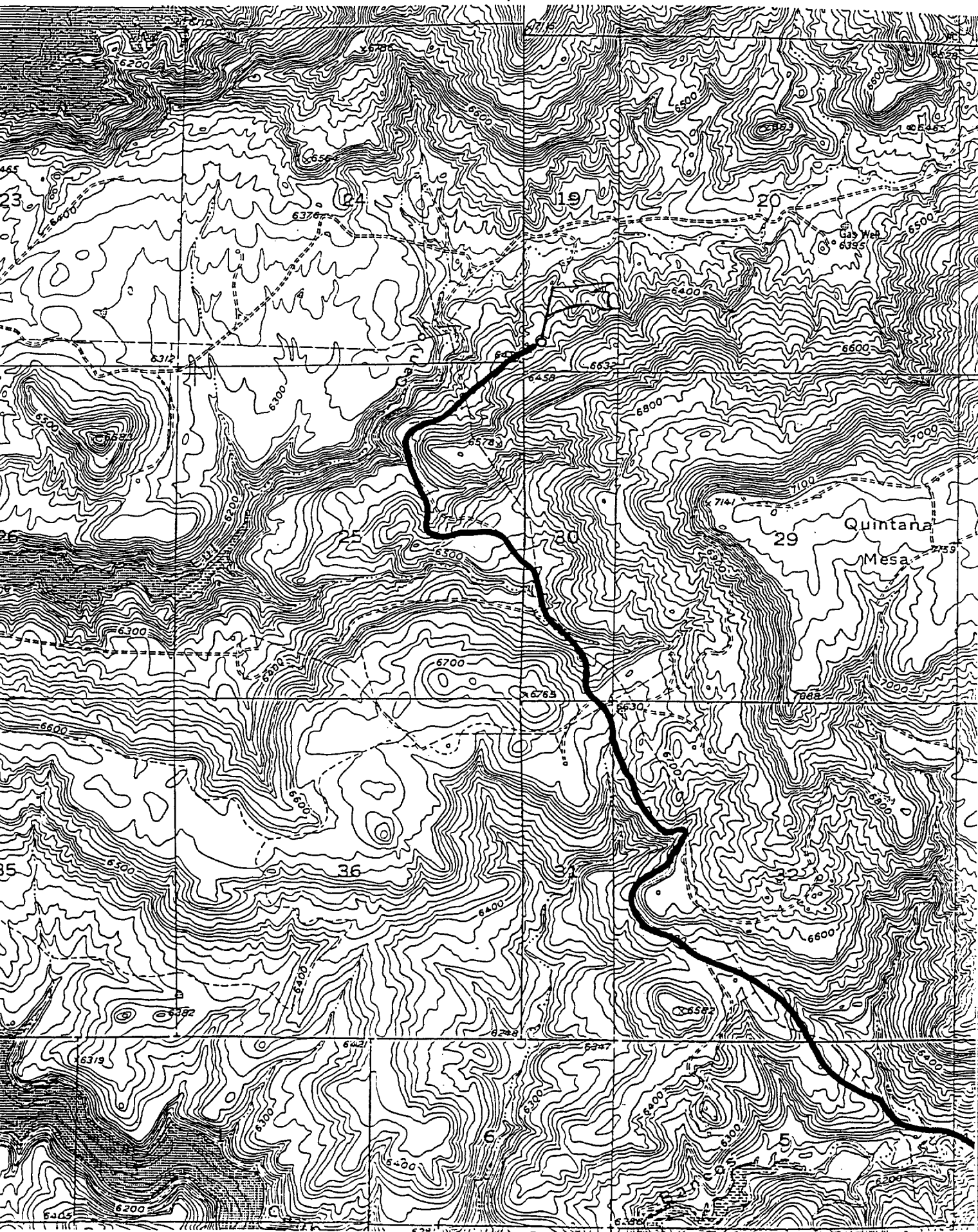
All of Sections 18 and 19, containing 355.25 acres more or less



- |                                     |
|-------------------------------------|
| 1. Energen Resources Corp.,         |
| 2. Open / Bureau of Land Management |
| 3. Burlington Resources             |
| 4. BP - Amoco                       |
| 5. Elliott Trust                    |
| 6. McHugh Companies                 |
| 7. T. H. McElvain Oil and Gas       |
| 8. J Glenn Turner et al             |
| 9. Unleased Mineral Owners          |

ENERGEN RESOURCES CORPORATION SAN JUAN 32-5 UNIT #112

410' FSL & 1320' FEL, SECTION 19, T32N, R5W, N.M.P.M.  
RIO ARriba COUNTY, NEW MEXICO



ict I  
x 1980, Hobbs, NM 86241-1980

ict II  
rwer 00, Artesia, NM 86211-0719

ict III  
Rio Brazos Rd., Aztec, NM 87410

ict IV  
x 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources-De- ent

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

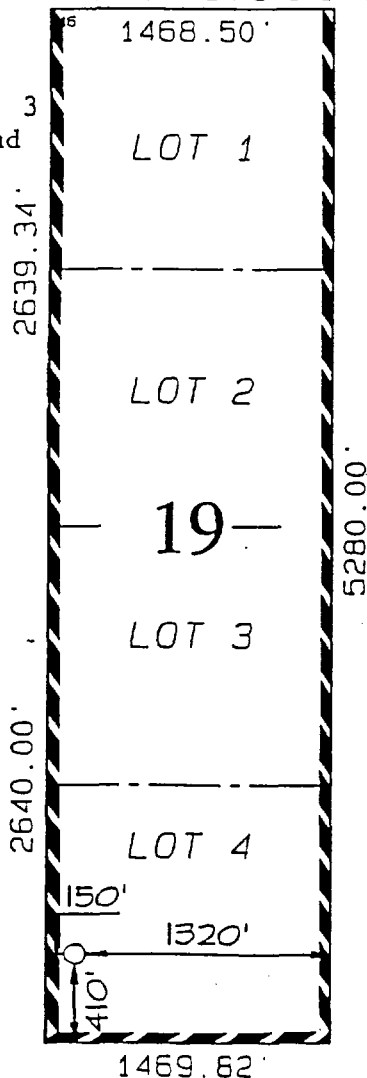
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 71629		*Pool Name Basin Fruitland Coal					
Property Code		*Property Name SAN JUAN 32-5 UNIT					*Well Number 112		
*OGRID No. 162928		*Operator Name ENERGEN RESOURCES CORPORATION					*Elevation 6405'		
10 Surface Location									
*Lot no. P	Section 19	Township 32N	Range 5W	Lot 10	Feet from the 410	North/South line SOUTH	Feet from the 1320	East/West line EAST	County RIO ARriba
11 Bottom Hole Location If Different From Surface									
*Lot no.	Section	Township	Range	Lot 10	Feet from the	North/South line	Feet from the	East/West line	County
*Acres 355.25					13 Joint or Infill		14 Consolidation Code		15 Order 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

cludes Lots 1, 2, 3  
1 4 of Sec. 19 and  
s 1, 2, 3 and  
of Sec. 18



17 OPERATOR CERTIFICATION  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.



Signature  
Gary Brink  
Printed Name  
Production Superintendant  
Title

Date  
9/20/01

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.

SEPTEMBER 12, 2000

Date of Survey  
Signature and Seal

  
Certificate Number 6857