

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0136
Expires: November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

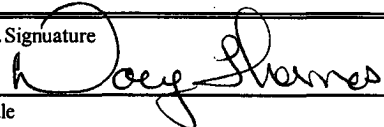

RECEIVED

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5/Lease Serial No. NMSF 080956
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. Indian, Allottee or Tribe Name 4-22
2. Name of Operator Energen Resources Corporation		7. Unit or CA Agreement Name and No. NM
3a. Address 2198 Bloomfield Highway Farmington, New Mexico 87401		8. Lease Name and Well No. McClure 1S
3b. Phone No. (include area code) (505) 325-6800		9. API Well No. 3004532210
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 770' FNL 1615' FEL At proposed prod. zone		10. Field and Pool, or Exploratory Basin Fruitland Coal
14. Distance in miles and direction from nearest town or post office* 3 miles north of Bloomfield, NM		11. Sec., T., R., M., or Blk. and Survey or Area B Sec. 03, T29N, R11W NMPM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 770'	16. No. of Acres in lease 185.47	17. Spacing Unit dedicated to this well E 1/2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 700'	19. Proposed Depth 2223'	20. BLM/BIA Bond No. on file
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5726'	22. Approximate date work will start* 04/01/04	23. Estimated duration 5 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) Doug Thomas	Date 03/01/04
Title Drilling & Completion Foreman		
Approved by (Signautre) 	Name (Printed/Typed)	Date 4-22-04
Title Office		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on Reverse)

C.O.A.: Compliance w/ Rule 50

NMOCD

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

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

¹ API Number 30-045-32210	² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL
⁴ Property Code 21334	⁵ Property Name McCLURE	⁶ Well Number 1S
⁷ OGRID No. 162928	⁸ Operator Name ENERGEN RESOURCES CORPORATION	⁹ Elevation 5726'

¹⁰ Surface Location

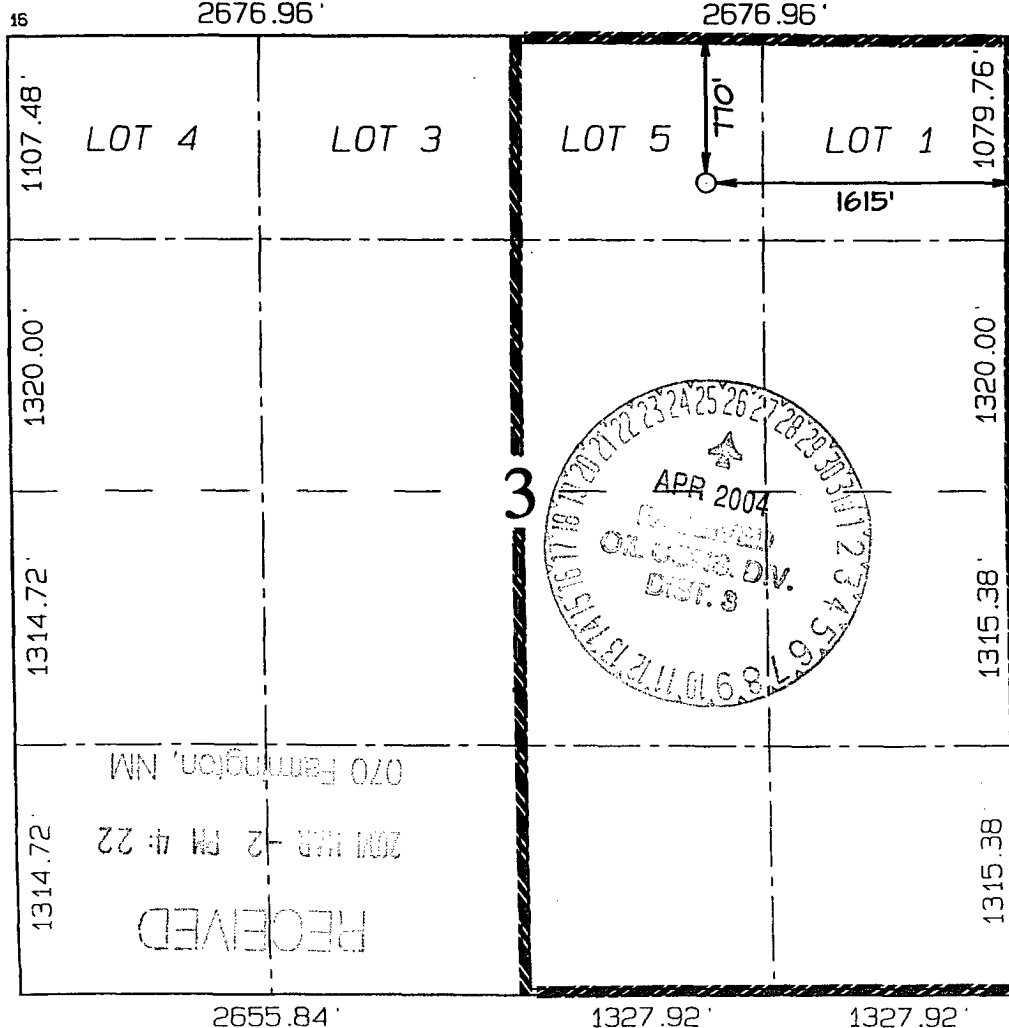
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	3	29N	11W		770	NORTH	1615	EAST	SAN JUAN

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 305.47 Acres - (E/2)	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



¹⁷ OPERATOR CERTIFICATION

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

Don Graham

Signature
Don Graham

Printed Name
Production Superintendent

Title

Date
2-27-04

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

Survey Date: JANUARY 16, 2004

Signature and Seal of Professional Surveyor

JASON C. EDWARDS

15269

REGISTERED PROFESSIONAL SURVEYOR

JASON C. EDWARDS

Certificate Number 15269

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

RECEIVED

5. Lease Serial No.

NMSF 080956

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

070 Farmington, NM NMNM 25697

8. Well Name and No.

McClure 1S

9. API Well No.

3004532210

10. Field and Pool, or Exploratory Area
Basin Fruitland Coal

11. County or Parish, State

San Juan NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Energen Resources Corporation

3a. Address

2198 Bloomfield Highway; Farmington, NM 87401

3b. Phone No. (include area code)

505-325-6800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

770' FNL, 1615' FEL, Sec. 3, T29N, R11W N.M.P.M.

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

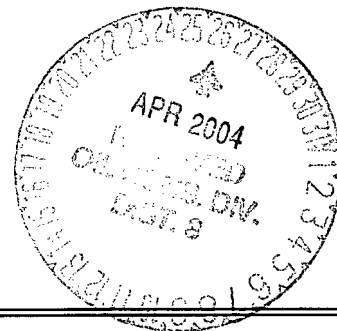
- | | | | |
|--|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| <input checked="" type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Casing change |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

We plan on changing the casing design as follows:

Hole size	Depth	Csg Size	Wt.	Grade	CMT
8 3/4"	120'	7"	20#	J-55 ST&C	50 sks (59 cu. ft.)
6 1/4"	2223'	4 1/2"	10.5#	J-55 ST&C	340 sks (584 cu. ft.)

See attached revised operations plan.



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Doug Thomas

Title

Drilling Superintendent

Date 04/12/04

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

David J. Mankiewicz

Title

APR 22 2004

Date

0007 2 2 04

Office

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



OPERATIONS PLAN

WELL NAME: McClure #1S

LOCATION: 770' FNL, 1615' FEL, Section 3, T29N, R11, San Juan County, NM

FIELD: BASIN FRUITLAND COAL

ELEVATION: 5726' GL

FORMATION TOPS:

Nacimiento	Surface
Ojo Alamo	708
Kirtland	823
Fruitland	1668

Total Depth **2223**

LOGGING PROGRAM:

Open Hole Logs:

Surface to intermediate: None

Top of Fruitland to total depth:

Mud Logs: None

Coring: None

Natural Gauges: Every 500' from intermediate TD to total depth

MUD PROGRAM: Fresh water low solids mud from surface to intermediate TD (9.0 PPG).
Air/mist from Intermediate casing point to total depth.

CASING PROGRAM:

<u>HOLE SIZE</u>	<u>DEPTH</u>	<u>CSG SIZE</u>	<u>WT.</u>	<u>GRADE</u>
8 3/4"	120'	7"	20#	J-55 ST&C
6 1/4"	2223'	4 1/2"	10.5#	J-55 ST&C

TUBING PROGRAM:

2200'	2-3/8"	4.7#	J-55
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WELLHEAD: 7"x 2000# x 4 1/2" Larkin Fig. 92 casing head. 4 1/2" 2000 x 2" tubing head.

BOP SPECIFICATIONS:

An 11" 2000 psi minimum double gate BOP stack (Figure 1) will be used following nipple up of casing head. During air drilling operations, a Shaffer Type 50 or equivalent rotating head will be installed on top of the stack. A 2" nominal, 2000 psi minimum choke manifold will be used. An upper Kelly Cock valve with handle available and drill string valve to fit each drill string will be available on the rig floor during drilling operations.

CEMENTING:

7" surface casing - Cement with 50 sks Class B Cement with 1/4# flocele/sk and 2% calcium chloride (59 cu. ft. of slurry, 100% excess to circulate to surface). WOC 12 hrs. Test casing to 600# for 30 minutes.

Texas Pattern Guide Shoe on bottom, with 3 centralizers on first 3 joints.

4 1/2" production casing:

Cement with 240 sks 65/35 Class B Poz with 6% gel, 2% calcium chloride, 10% gilsonite, and 1/4# flocele/sk. Tail with 100 sks Class B w/2% calcium chloride, 10% gilsonite and 1/4# flocele/sk. (584 cu. ft. of slurry, 75% excess to circulate to surface). WOC 12 hrs prior to completion. If cement does not circulate, run temperature survey in 8 hrs. to determine TOC.

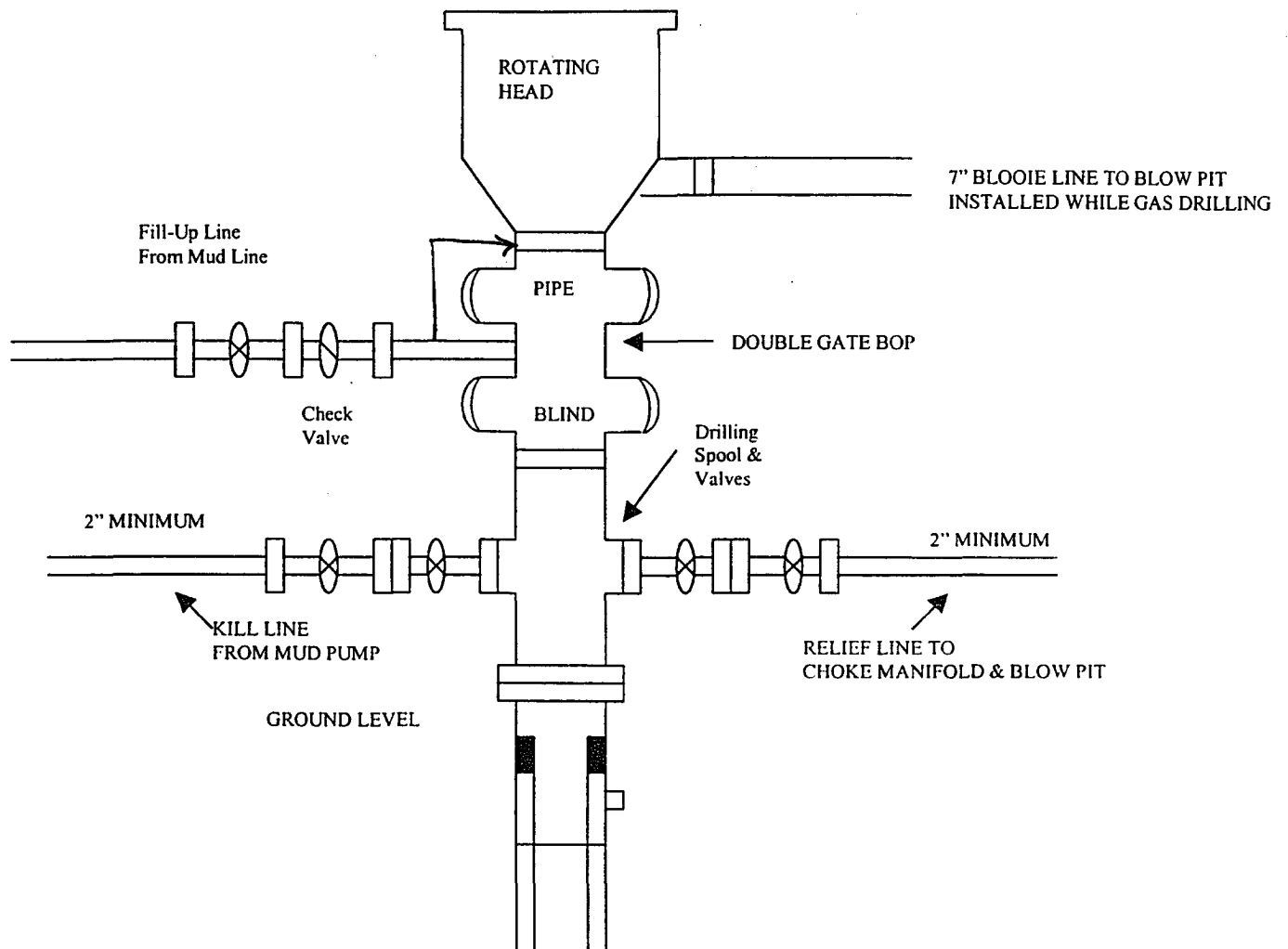
Cement nose guide shoe on bottom with a self-fill insert float valve on top of shoe joint. 10 bow spring centralizers spaced every 2nd joint off bottom. Two turbolating centralizers at the base of the Ojo Alamo.

OTHER INFORMATION:

- 1) No abnormal temperatures or pressures are anticipated.
- 2) If lost circulation is encountered, sufficient LCM will be added to mud system to maintain well control.
- 3) This gas is dedicated.
- 4) Anticipated pore pressure for the Furitland is 700 psi.

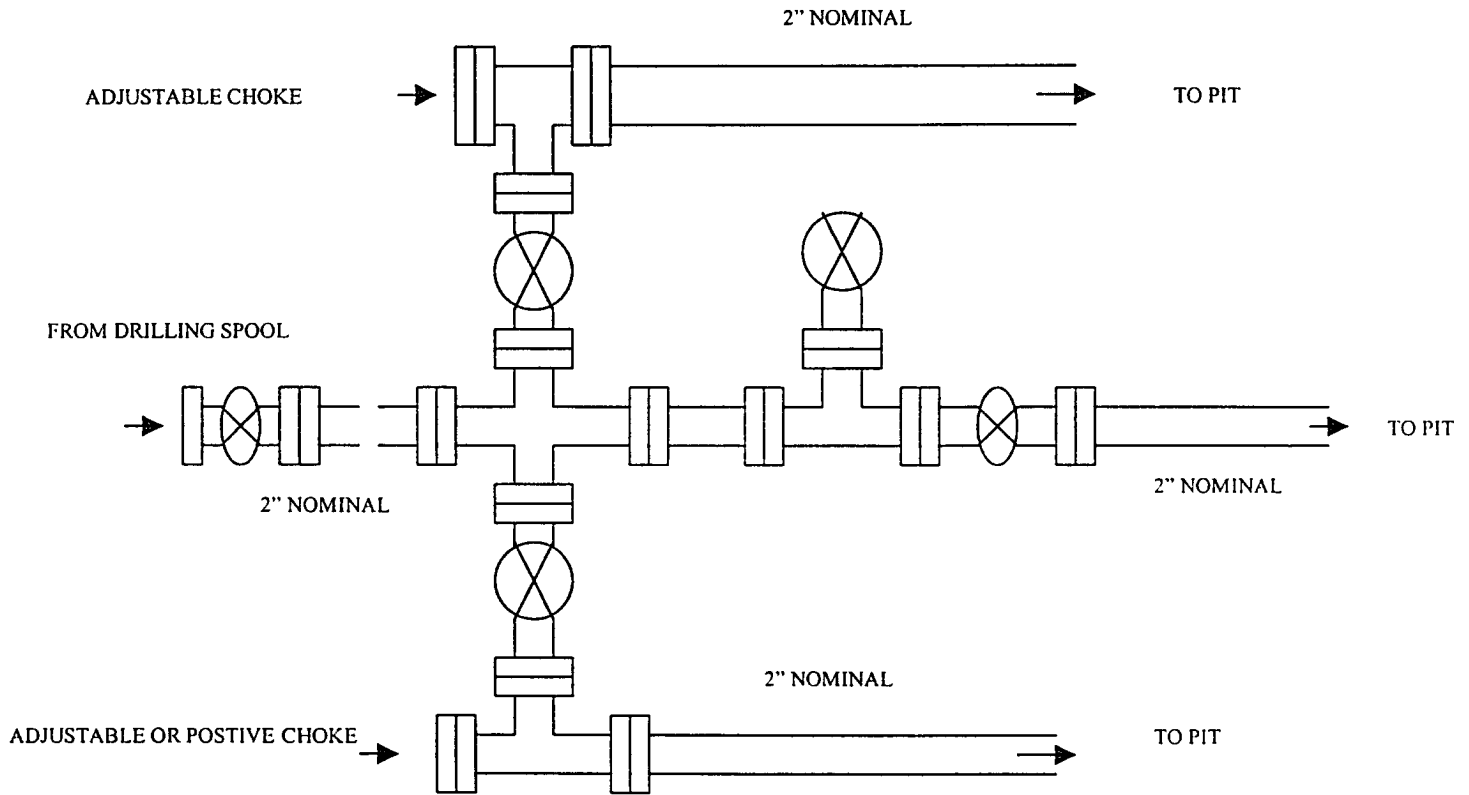
ENERGEN RESOURCES CORPORATION

Mesa Verde / Dakota Well BOP Configuration

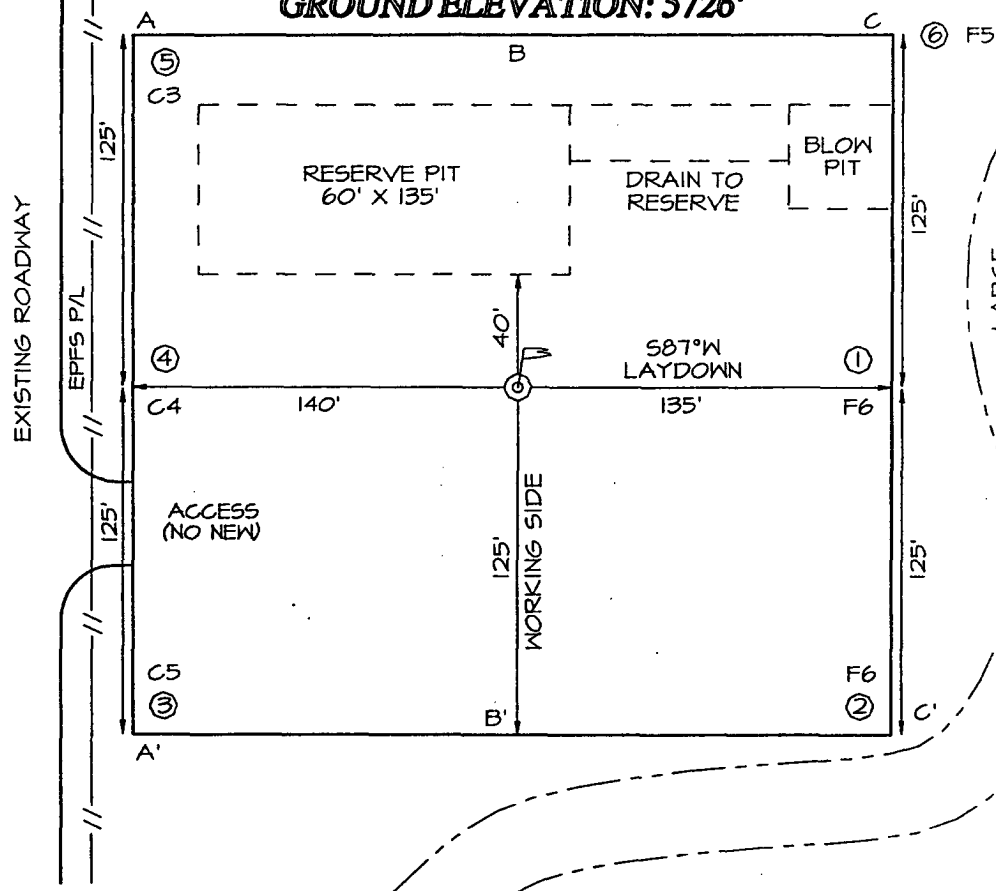


Minimum BOP installation for a Mesaverde well from Surface to Total Depth. 11' Bore, 2000 psi minimum working pressure double Gate BOP to be equipped with blind and pipe rams. A Schaffer Type 50 or equivalent rotating head to be installed on the top of The BOP. All equipment is 2000 psi working pressure or greater.

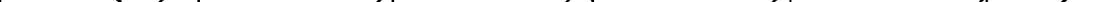
ENERGEN RESOURCES CORPORATION
Choke Manifold Configuration
2M psi System



Minimum choke manifold installation from surface to Total Depth.
2" minimum, 2000 psi working pressure equipment with two chokes.



LATITUDE: 36°45'33"
LONGITUDE: 107°58'29"
DATUM: NAD1927

A-A'						
5736'						
5726'						
5716'						

B-B'						
5736'						
5726'						
5716'						

C-C'						
5736'						
5726'						
5716'						