Form 3160- (April 2004
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UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0137 Expires March 31, 2007

APPLICATION FOR PERMIT TO DRILL OR REENTER 1. Type of Work DRILL REENTER 6. If Indian, Althrete or Tribe Name 7. Unix or CA Agreement Name and No.					
Type of Work DILL ORDER RENTER Type of Work DI Oil Well Oil Well Grow Well Other Segle Zone Multiple Zone Multiple Zone Research Components Name of Operator Research Components Order Research Components Name of Operator Research Components Name Name Name Name Name Name Name Name	APPLICATION FOR PERMIT TO	1	.		
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State Resources Corporation Production State Resources	Type of Well Oil Well Gas Well Oth	her Single Zone Multin	ple Zone 7. Unit or 0	CA Agreement Name and No.	
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District I^t 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

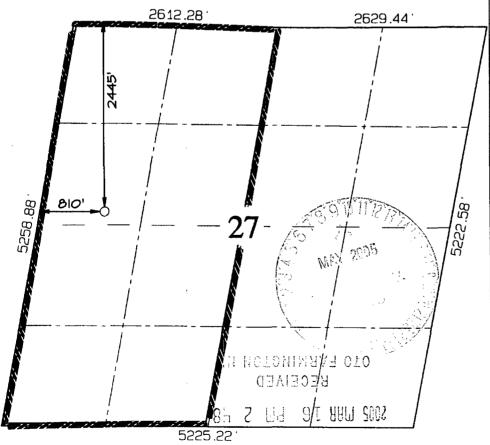
Form C-102 Revised February 21, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

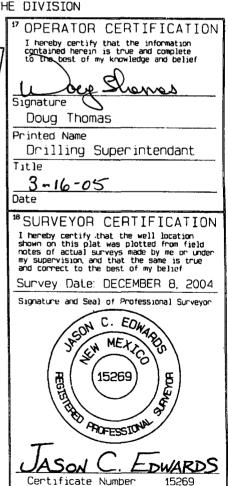
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹² Dedicated Acres		.0 Acres	s - (W,	/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Onden No.			
UL or lot no.	Section	Township	Range	Lat Ion	Feet from the	North/South line	Feet from the	East/West lin	e County	
		¹¹ B	ottom	Hole L	ocation I	f Different	From Surf	ace	•	
Ε	27	29N	9W		2445	NORTH	810	WEST	SAN JUAN	
UL or lot no.	Section	Township	Range	Lat Idn	Feet from the	North/South line	Feet from the	East/West lin	e County	
					¹⁰ Surface	location				
162928 ENERGE				EN RESOURC	ES CORPORAT	[ON		5639		
'OGRID N	D No. *Operator Name						*Elevation			
3004	300 449				FEDERAL 29-9-27				3	
*Property	Code				Property Name			•	*Well Number	
30-045-32095 71629						BAS	SIN FRUITLA	ND COAL		
'API Number			_	*Pool Cod	e	Pool Name				

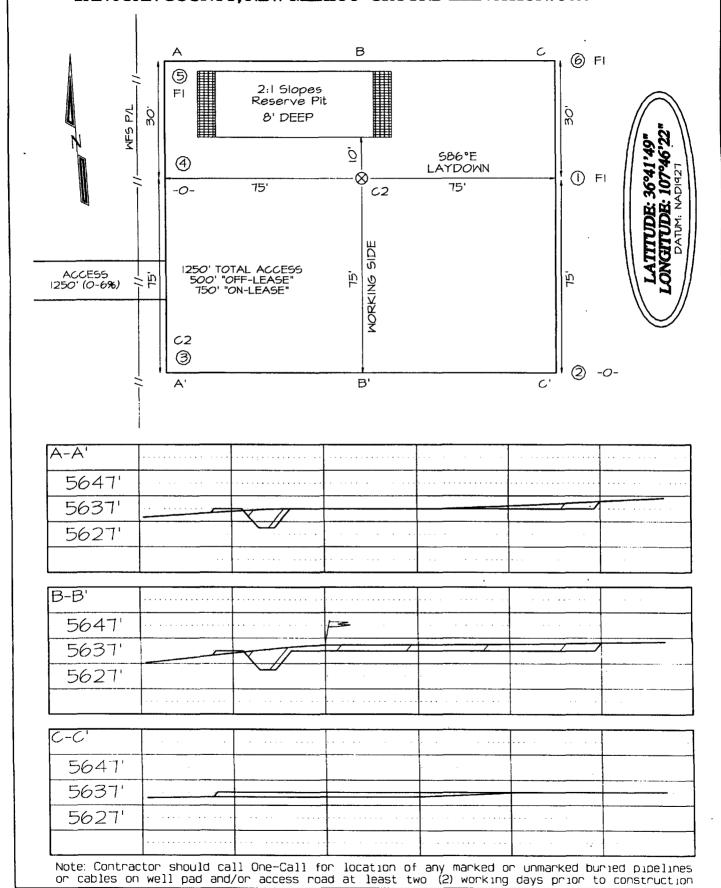
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION





Submit 3 Copies To Appropriate District Office State of New Energy, Minerals and N			Form C-103 May 27, 2004			
District I 1625 N. French Dr., Hobbs, NM 87240	aturai Resources	WELL API NO.	Wiay 27, 2004			
District II 1301 W. Grand Ave., Artesia, NM 88210 OIL CONSERVAT	ION DIVISION		-			
District III 1220 South St.		5. Indicate Type of Le				
1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NN District IV	M 87505	STATE	FEE .			
1220 S. St. Francis Dr., Santa Fe, NM 87505		6. State Oil & Gas Lea	ase No.			
SUNDRY NOTICES AND REPORTS ON V (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEP DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM O	EN OR PLUG BACK TO A	7. Lease Name or Uni Federal 29-9-27	t Agreement Name:			
PROPOSALS.) 1. Type of Well:		8. Well Number	10.000			
Oil Well Gas Well X Other		3				
2. Name of Operator		9. OGRID Number				
Energen Resources Corporation		162928 10. Pool name or Wild				
3. Address of Operator 2198 Bloomfield Highway, Farmington, NM 87401		Basin Fruitland Co				
4. Well Location	·	,				
Unit Letter <u>E</u> : 2445 feet from the	North line and	810 feet from th	neline			
Section 27 Township 29N			County San Juan			
11. Elevation (Show wheth	her DR, RKB, RT, GR, e 5639' GL	tc.)				
Pit or Below-grade Tank Application X or Closure						
Pit type _Drill Depth to Groundwater _>100' Distance from nearest	fresh water well >1000' Di	stance from nearest surface v	vater <u>>200 '</u>			
Pit Liner Thickness: 12 mil Below-Grade Tank: Volu	umebbls; Constructi	on Material				
12. Check Appropriate Box to India NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK PLUG AND ABANDON	SUE REMEDIAL WORK	SEQUENT REPO	RT OF:			
TEMPORARILY ABANDON	COMMENCE DRILL		PLUG AND			
PULL OR ALTER CASING MULTIPLE COMPLETION	CASING TEST AND CEMENT JOB					
OTHER: Build drilling pit	OTHER:					
 Describe proposed or completed operations. (Clearly state al of starting any proposed work). SEE RULE 1103. For Mul or recompletion. 						
Energen Resources plans to build a lined pit according to "OCD Pit and Below-grade Tank Guidelines", as issued on November 1,2004. Energen anticipates the submittal of a C-144 for closure of this pit in accordance with BIM and "OCD Pit and Below-grade Tank Guidelines".						
I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan						
SIGNATURE NOW SINCE	TITLE Drillin	g Engineer DA	TE <u>02/24/05</u>			
Type or print name Nathan Smith	E-mail address:	nsmith@energen.co Telephor	n ne No. 505.325.6800			
For State Use Only	BENITY AS A ALC.	Company of the second s	MAY -9 2005			
APPROVED BY / / / / / / / / / / / / / / / / / /	TITLE GAS IN					
Conditions of Approval, if any:						

ENERGEN RESOURCES CORPORATION FEDERAL 29-9-27 #3 2445' FNL & 810' FWL, SECTION 27, T29N, R9W, NMPM SAN JUAN COUNTY, NEW MEXICO GROUND ELEVATION: 5639'



Operations Plan

January 13, 2005

Federal 29-9-27 #3

General Information

Location 2445' fnl, 0810' fwl

swnw S27, T29N, R09W

San Juan County, New Mexico

Elevations 5639' GL

Total Depth 2256' (MD)
Formation Objective Basin Fruitland Coal

Formation Tops

Nacimiento Surface Oio Alamo Ss 956' Kirtland Sh 1086' Fruitland Fm 1771 Top Coal 1851' **Bottom Coal** 2056' Pictured Cliffs Ss 2066' **Total Depth** 2256'

Drilling

ABHP~ 970 pgi

The 12 1/4" wellbore will be drilled with a fresh water mud system.

The 7 7/8" wellbore will be drilled with a low solids fresh water/polymer mud system. Weighting materials will be drill cuttings and if needed barite. Mud density is expected to range from 8.3 ppg to 8.9 ppg. Blowout Control Specifications:

A 2000 psi minimum double ram or annulus BOP stack (figure 1) will be used following nipple up of casing head. A 2" nominal, 2000 psi minimum choke manifold will also be used. An upper Kelly Cock valve handle and drill string valve should be available to fit each drill string and be available on the rig floor during drilling operations.

Logging Program:

Open hole logs: Induction/Gamma Ray and Density Logs

Coring: None

Natural Gauges: None



Tubulars

Casing, Tubing, & Casing Equipment:

String Surface	Interval 0'-300'	Wellbore 12 ¼"	Casing 8 5/8"	Csg Wt 24.0 ppf	Grade J-55 ST&C
Production	300'-2256'	7 7/8"	5 ½"	15.5 ppf	J-55 LT&C
Tubing	0'-2200'		2 3/8"	4.7 ppf	J-55

Casing Equipment:

Surface Casing: Depending on wellbore conditions, a Texas Pattern Guide Shoe on bottom. Casing centralization with standard bow spring centralizers to achieve optimal standoff.

Production Casing: Depending on wellbore conditions, a Cement nose guide shoe with self fill insert float collar on top of bottom joint and casing centralization with standard bow spring centralizers to optimize standoff. Two turbolating centralizers at the base of the Ojo Alamo are recommended.

Wellhead

8 5/8" 2000 x 5 ½" Larkin casing head. 5 ½" 2000 x 2" tubing head.

Cementing

2006

Surface Casing: 225 sks Std (class B) with 2.0 % CaCl₂ and ¼ #/sk Flocele (15.6 ppg, 1.18 ft³/sk-247 ft³ of slurry, 100% excess to circulate to surface). WOC 12 hours. Pressure test surface casing to 1000 psi for 30 min.

Production Casing: Before cementing, circulate hole at least 1 $\frac{1}{2}$ hole volumes of mud and reduce funnel viscosity to minimum to aide in hole cleanout. Depending on wellbore conditions, cement may consist of 310sks 65/35 with 6.0 % Bentonite, 2.0 % CaCl₂, 10 #/sk Gilsonite, and $\frac{1}{2}$ #/sk Flocele (12.3 ppg, 1.96 ft³/sk) and a tail of 145 sks of Standard (Class B) cement with 5.0 #/sk Gilsonite, and $\frac{1}{4}$ #/sk Flocele (15.2ppg, 1.24 ft³/sk). (781.9 ft³ of slurry, 100 % excess to circulate to surface).

Pump 30 sks of flyash scavenger spacer consisting of 15.0 % Benonite and 0.15 % HR-5 ahead of cement

Other Information

1) This well will be cased and the Basin Fruitland Coal fracture stimulated. MAY 2008

2) If lost circulation is encountered, sufficient LCM will be added to the mud system to maintain well—control. The production string may need to be cemented in multiple stages with a slurry design deviated from that listed above.

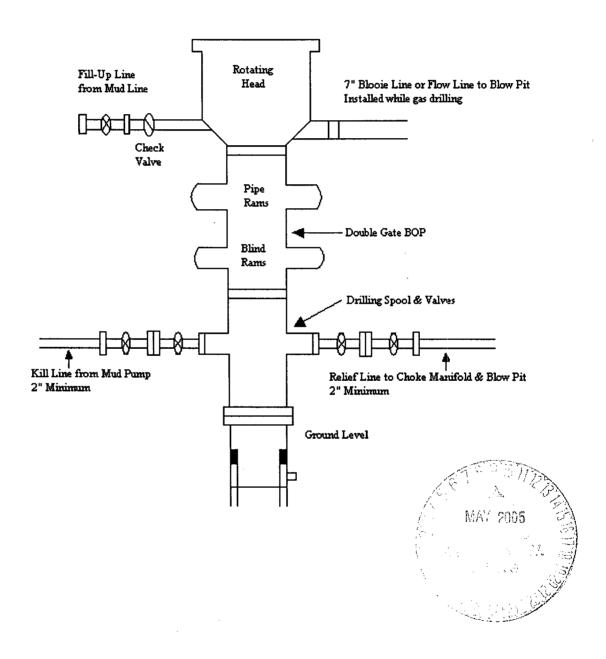
3) If high reservoir pressures or water flows are encountered slurry design may need to be deviated to from those listed above to satisfy wellbore and formation conditions.

4) No abnormal temperatures or pressures are anticipated.

5) This gas is dedicated.

Energen Resources Corporation

Typical BOP Configuration for Gas Drilling



Energen Resources Corporation

Typical 2000 psi Choke Manifold Configuration

