

District I1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720**District II**811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720**District III**1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170**District IV**1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-101
Revised July 18, 2013

APR 06 2015

☐ AMENDED REPORT**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address Energen Resources Corporation 2010 Afton Place Farmington, NM 87401		2. OGRID Number 162928	
3. Property Code 314743		4. API Number 30-039-31309	
5. Property Name Many Canyons 24-03 8		6. Well No. 4H	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
P	8	24N	3W		1230'	South	716'	East	Rio Arriba

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
M	8	24N	3W		330'	South	330'	West	Rio Arriba

9. Pool Information

Pool Name West Lindrith Gallup Dakota	Pool Code 39189
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Additional Well Information

11. Work Type New	12. Well Type Oil	13. Cable/Rotary Rotary	14. Lease Type Private	15. Ground Level Elevation 6878'
16. Multiple No	17. Proposed Depth 6440' TVD 11665' MD	18. Formation Gallup	19. Contractor To be determined	20. Spud Date 6/01/15
Depth to Ground water UNKNOWN		Distance from nearest fresh water well 414'		Distance to nearest surface water ~400'

☒ We will be using a closed-loop system in lieu of lined pits**21. Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
SURFACE	12-1/4"	9-5/8"	36#	500'	270 sks	SURFACE
INTERMEDIATE	8-3/4"	7"	26#	7100'	875 sks	SURFACE
PRODUCTION	6-1/4"	4-1/2"	11.6#	11664'	525 sks	~6950'

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DOUBLE RAM	3000#	2550#	TO BE DETERMINED

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
I further certify that I have complied with 19.15.14.9 (A) NMAC ☐ and/or 19.15.14.9 (B) NMAC ☐ if applicable.
Signature: *Anna Stotts*

Printed name: Anna Stotts

Title: Regulatory Analyst

E-mail Address: astotts@energen.com

Date: 04/03/2015

Phone: 505-324-4154

OIL CONSERVATION DIVISIONApproved By: *Charles Herr*

Title: SUPERVISOR DISTRICT #3

Approved Date: 4-9-2015 Expiration Date:

Conditions of Approval Attached

PV

SEE ATTACHED NMOC
CONDITIONS OF APPROVAL

KC 15

DISTRICT I

1625 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 393-6181 Fax: (575) 393-0720

DISTRICT II

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DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 478-3480 Fax: (505) 478-3482

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-31309	² Pool Code 39189	³ Pool Name WEST LINDRITH GALLUP DAKOTA
⁴ Property Code 314743	⁵ Property Name Many Canyons 24-03 8	⁶ Well Number 4H
⁷ OGRID No. 162928	⁸ Operator Name ENERGEN RESOURCES CORPORATION	⁹ Elevation 6877.9

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
P	8	24N	3W		1230'	SOUTH	716'	EAST	RIO ARRIBA

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
M	8	24N	3W		330'	SOUTH	330'	WEST	RIO ARRIBA

¹² Dedicated Acres S/2 S/2 SEC 8 160 ACRES	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

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<p>WELL FLAG #4H LAT: N36°19.2610' LONG: W107°10.3662' NAD27</p> <p>LAT: N36.321030° LONG: W107.173370° NAD83</p>			<p>ENTRY POINT #4H LAT: N36°19.1129' LONG: W107°10.2876' NAD27</p> <p>LAT: N36.318563° LONG: W107.172058° NAD83</p>			<p>BOTTOM HOLE #4H LAT: N36°19.1092' LONG: W107°11.2298' NAD27</p> <p>LAT: N36.318500° LONG: W107.187762° NAD83</p>		
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OIL CONS. DIV DIST. 3
APR 06 2015

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Anna Stotts 4.2.2015
Signature Date
Anna Stotts
Printed Name
astotts@energen.com
E-mail Address

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.

MARCH 24, 2015
Date of Survey
Glen W. Russell
Signature and Seal of Professional Surveyor
GLEN W. RUSSELL
NEW MEXICO
15703
LICENSED PROFESSIONAL SURVEYOR
GLEN W. RUSSELL
Certificate Number 15703

Energen Resources

Many Canyon Sec 8, T24N, R3W

Many Canyon 24-03 8 #004H

Preliminary Design

Design #1

Plan: APD Plan

Preliminary Design

03 April, 2015

Company Name: Energen Resources

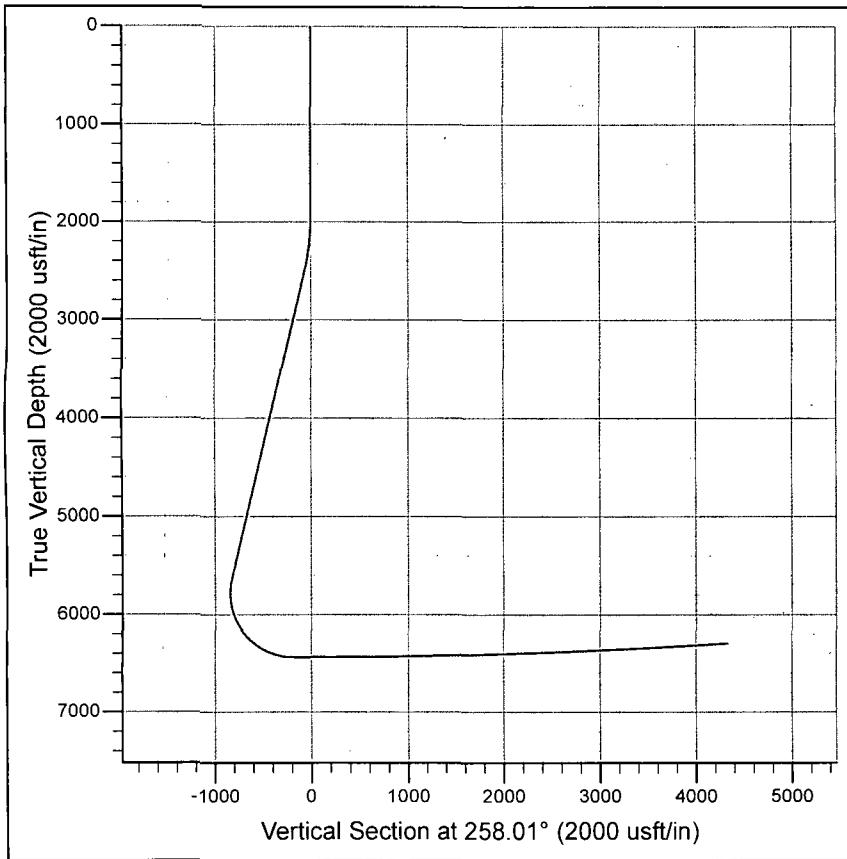
Project: Many Canyon Sec 8, T24N, R3W

Site: Many Canyon 24-03 8 #004H

Well: Preliminary Desgin

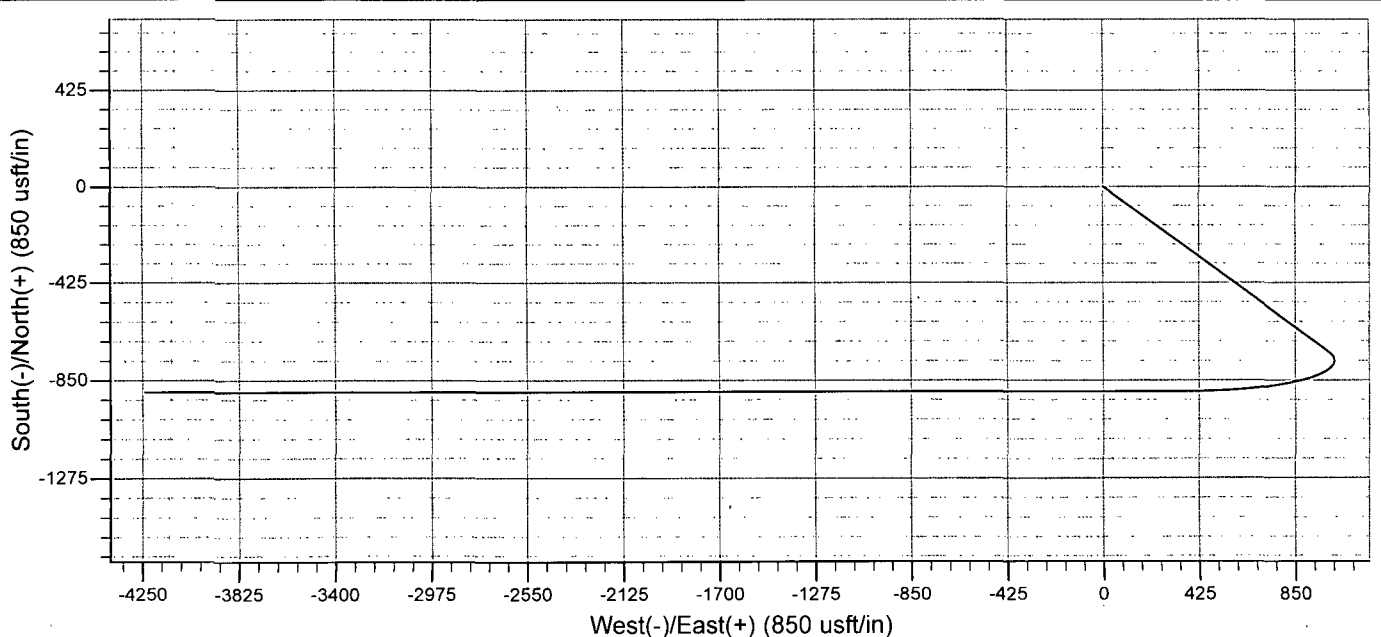
Wellbore: Design #1

Design: APD Plan



SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0
2	2000.0	0.00	0.00	2000.0	0.0	0.0	0.00	0.00	0.0
3	2500.4	20.02	126.16	2490.3	-51.0	69.8	4.00	126.16	-57.7
4	5858.5	20.02	126.16	5645.6	-729.3	997.8	0.00	0.00	-824.6
5	7036.8	90.00	270.00	6440.0	-900.0	386.0	9.00	142.12	-190.7
6	11664.8	93.50	270.00	6298.7	-900.0	-4239.1	0.08	0.00	4333.6



Energen

Preliminary Design

Company: Energen Resources	Local Co-ordinate Reference: Site Many Canyon 24-03 8 #004H
Project: Many Canyon Sec 8, T24N, R3W	TVD Reference: WELL @ 0.0usft (Original Well Elev)
Site: Many Canyon 24-03 8 #004H	MD Reference: WELL @ 0.0usft (Original Well Elev)
Well: Preliminary Desgin	North Reference: Grid
Wellbore: Design #1	Survey Calculation Method: Minimum Curvature
Design: APD Plan	Database: EDM 5000.1 Single User Db

Project	Many Canyon Sec 8, T24N, R3W, Rio Arriba County, NM, Single Lateral		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site	Many Canyon 24-03 8 #004H		
Site Position:		Northing:	1,948,429.33 usft
From:	Lat/Long	Easting:	-295,388.39 usft
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16"
		Latitude:	36° 19' 15.708 N
		Longitude:	107° 10' 24.132 W
		Grid Convergence:	-1.68 °

Well	Preliminary Desgin		
Well Position	+N/-S	0.0 usft	Northing: 1,948,429.33 usft
	+E/-W	0.0 usft	Easting: -295,388.39 usft
Position Uncertainty	0.0 usft	Wellhead Elevation:	usft
		Latitude:	36° 19' 15.708 N
		Longitude:	107° 10' 24.132 W
		Ground Level:	0.0 usft

Wellbore	Design #1		
Magnetics	Model Name	Sample Date	Declination (°)
	User Defined	2/26/2015	0.00
			Dip Angle (°)
			0.00
			Field Strength (nT)
			0

Design	APD Plan		
Audit Notes:			
Version:	Phase:	PROTOTYPE	Tie On Depth: 0.0
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)
	0.0	0.0	0.0
			Direction (°)
			258.01

Survey Tool Program	Date 4/2/2015		
From (usft)	To (usft)	Survey (Wellbore)	Tool Name
0.0	11,664.8	APD Plan (Design #1)	MWD
			Description
			MWD - Standard

Planned Survey									
TVD (usft)	MD (usft)	Inc (°)	Azi (azimuth) (°)	N/S (usft)	E/W (usft)	Build (°/100usft)	V. Sec (usft)		
0.0	0.0	0.00	0.00	0.0	0.0	0.00	0.0		
100.0	100.0	0.00	0.00	0.0	0.0	0.00	0.0		
200.0	200.0	0.00	0.00	0.0	0.0	0.00	0.0		
300.0	300.0	0.00	0.00	0.0	0.0	0.00	0.0		
400.0	400.0	0.00	0.00	0.0	0.0	0.00	0.0		
500.0	500.0	0.00	0.00	0.0	0.0	0.00	0.0		
9 5/8"									
600.0	600.0	0.00	0.00	0.0	0.0	0.00	0.0		
700.0	700.0	0.00	0.00	0.0	0.0	0.00	0.0		
800.0	800.0	0.00	0.00	0.0	0.0	0.00	0.0		
900.0	900.0	0.00	0.00	0.0	0.0	0.00	0.0		
1,000.0	1,000.0	0.00	0.00	0.0	0.0	0.00	0.0		

Energen

Preliminary Design

Company: Energen Resources
Project: Many Canyon Sec 8, T24N, R3W
Site: Many Canyon 24-03 8 #004H
Well: Preliminary Design
Wellbore: Design #1
Design: APD Plan

Local Co-ordinate Reference: Site Many Canyon 24-03 8 #004H
TVD Reference: WELL @ 0.0usft (Original Well Elev)
MD Reference: WELL @ 0.0usft (Original Well Elev)
North Reference: Grid
Survey Calculation Method: Minimum Curvature
Database: EDM 5000.1 Single User Db

Planned Survey

TVD (usft)	MD (usft)	Inc (°)	Azi (azimuth) (°)	N/S (usft)	E/W (usft)	Build (°/100usft)	V. Sec (usft)
1,100.0	1,100.0	0.00	0.00	0.0	0.0	0.00	0.0
1,200.0	1,200.0	0.00	0.00	0.0	0.0	0.00	0.0
1,300.0	1,300.0	0.00	0.00	0.0	0.0	0.00	0.0
1,400.0	1,400.0	0.00	0.00	0.0	0.0	0.00	0.0
1,500.0	1,500.0	0.00	0.00	0.0	0.0	0.00	0.0
1,600.0	1,600.0	0.00	0.00	0.0	0.0	0.00	0.0
1,700.0	1,700.0	0.00	0.00	0.0	0.0	0.00	0.0
1,800.0	1,800.0	0.00	0.00	0.0	0.0	0.00	0.0
1,900.0	1,900.0	0.00	0.00	0.0	0.0	0.00	0.0
2,000.0	2,000.0	0.00	0.00	0.0	0.0	0.00	0.0
2,099.9	2,100.0	4.00	126.16	-2.1	2.8	4.00	-2.3
2,199.4	2,200.0	8.00	126.16	-8.2	11.3	4.00	-9.3
2,297.8	2,300.0	12.00	126.16	-18.5	25.3	4.00	-20.9
2,394.8	2,400.0	16.00	126.16	-32.7	44.8	4.00	-37.0
2,490.3	2,500.4	20.02	126.16	-51.0	69.8	4.00	-57.7
2,583.9	2,600.0	20.02	126.16	-71.2	97.4	0.00	-80.5
2,677.8	2,700.0	20.02	126.16	-91.4	125.0	0.00	-103.3
2,771.8	2,800.0	20.02	126.16	-111.6	152.6	0.00	-126.1
2,865.7	2,900.0	20.02	126.16	-131.8	180.3	0.00	-149.0
2,959.7	3,000.0	20.02	126.16	-151.9	207.9	0.00	-171.8
3,053.7	3,100.0	20.02	126.16	-172.1	235.5	0.00	-194.7
3,147.6	3,200.0	20.02	126.16	-192.3	263.2	0.00	-217.5
3,241.6	3,300.0	20.02	126.16	-212.5	290.8	0.00	-240.3
3,335.5	3,400.0	20.02	126.16	-232.7	318.4	0.00	-263.2
3,429.5	3,500.0	20.02	126.16	-252.9	346.1	0.00	-286.0
3,523.5	3,600.0	20.02	126.16	-273.1	373.7	0.00	-308.8
3,617.4	3,700.0	20.02	126.16	-293.3	401.3	0.00	-331.7
3,711.4	3,800.0	20.02	126.16	-313.5	429.0	0.00	-354.5
3,805.4	3,900.0	20.02	126.16	-333.7	456.6	0.00	-377.4
3,899.3	4,000.0	20.02	126.16	-353.9	484.2	0.00	-400.2
3,993.3	4,100.0	20.02	126.16	-374.1	511.9	0.00	-423.0
4,087.2	4,200.0	20.02	126.16	-394.3	539.5	0.00	-445.9
4,181.2	4,300.0	20.02	126.16	-414.5	567.1	0.00	-468.7
4,275.2	4,400.0	20.02	126.16	-434.7	594.8	0.00	-491.5
4,369.1	4,500.0	20.02	126.16	-454.9	622.4	0.00	-514.4
4,463.1	4,600.0	20.02	126.16	-475.1	650.0	0.00	-537.2
4,557.0	4,700.0	20.02	126.16	-495.3	677.7	0.00	-560.0
4,651.0	4,800.0	20.02	126.16	-515.5	705.3	0.00	-582.9
4,745.0	4,900.0	20.02	126.16	-535.7	733.0	0.00	-605.7
4,838.9	5,000.0	20.02	126.16	-555.9	760.6	0.00	-628.6
4,932.9	5,100.0	20.02	126.16	-576.1	788.2	0.00	-651.4
5,026.8	5,200.0	20.02	126.16	-596.3	815.9	0.00	-674.2
5,120.8	5,300.0	20.02	126.16	-616.5	843.5	0.00	-697.1
5,214.8	5,400.0	20.02	126.16	-636.6	871.1	0.00	-719.9

Energen

Preliminary Design

Company:	Energen Resources	Local Co-ordinate Reference:	Site Many Canyon 24-03 8 #004H
Project:	Many Canyon Sec 8, T24N, R3W	TVD Reference:	WELL @ 0.0usft (Original Well Elev)
Site:	Many Canyon 24-03 8 #004H	MD Reference:	WELL @ 0.0usft (Original Well Elev)
Well:	Preliminary Design	North Reference:	Grid
Wellbore:	Design #1	Survey Calculation Method:	Minimum Curvature
Design:	APD Plan	Database:	EDM 5000.1 Single User Db

Planned Survey

TVD (usft)	MD (usft)	Inc (°)	Azi (azimuth) (°)	N/S (usft)	E/W (usft)	Build (°/100usft)	V. Sec (usft)
5,308.7	5,500.0	20.02	126.16	-656.8	898.8	0.00	-742.7
5,402.7	5,600.0	20.02	126.16	-677.0	926.4	0.00	-765.6
5,496.6	5,700.0	20.02	126.16	-697.2	954.0	0.00	-788.4
5,590.6	5,800.0	20.02	126.16	-717.4	981.7	0.00	-811.3
5,645.6	5,858.5	20.02	126.16	-729.3	997.8	0.00	-824.6
5,684.9	5,900.0	17.22	133.92	-737.7	1,008.0	-6.75	-832.8
5,733.0	5,950.0	14.40	146.86	-748.0	1,016.7	-5.64	-839.2
5,781.7	6,000.0	12.57	164.61	-758.5	1,021.6	-3.66	-841.8
5,830.5	6,050.0	12.19	185.64	-769.0	1,022.5	-0.76	-840.5
5,879.3	6,100.0	13.38	205.37	-779.5	1,019.5	2.39	-835.4
5,927.7	6,150.0	15.79	220.54	-789.9	1,012.6	4.83	-826.5
5,975.4	6,200.0	18.97	231.28	-800.1	1,001.8	6.34	-813.8
6,022.2	6,250.0	22.58	238.88	-810.2	987.2	7.23	-797.5
6,067.7	6,300.0	26.45	244.41	-820.0	969.0	7.75	-777.6
6,111.6	6,350.0	30.49	248.59	-829.4	947.1	8.07	-754.2
6,153.7	6,400.0	34.63	251.87	-838.5	921.8	8.28	-727.6
6,193.8	6,450.0	38.84	254.52	-847.1	893.2	8.42	-697.8
6,231.6	6,500.0	43.11	256.72	-855.2	861.4	8.52	-665.0
6,266.7	6,550.0	47.40	258.60	-862.8	826.7	8.60	-629.5
6,299.2	6,600.0	51.73	260.24	-869.7	789.3	8.65	-591.5
6,328.6	6,650.0	56.07	261.69	-876.1	749.4	8.69	-551.1
6,354.9	6,700.0	60.43	263.00	-881.7	707.3	8.72	-508.8
6,377.9	6,750.0	64.81	264.20	-886.7	663.2	8.74	-464.6
6,397.4	6,800.0	69.19	265.31	-890.9	617.4	8.76	-418.9
6,413.4	6,850.0	73.58	266.37	-894.3	570.1	8.78	-372.0
6,425.7	6,900.0	77.97	267.37	-896.9	521.7	8.79	-324.1
6,434.2	6,950.0	82.36	268.35	-898.8	472.5	8.79	-275.6
6,439.0	7,000.0	86.76	269.30	-899.8	422.8	8.80	-226.7
6,440.0	7,036.8	90.00	270.00	-900.0	386.0	8.80	-190.7
6,440.0	7,100.0	90.05	270.00	-900.0	322.8	0.08	-128.8
7"							
6,439.8	7,200.0	90.12	270.00	-900.0	222.8	0.08	-31.0
6,439.5	7,300.0	90.20	270.00	-900.0	122.8	0.08	66.8
6,439.1	7,400.0	90.27	270.00	-900.0	22.8	0.08	164.6
6,438.6	7,500.0	90.35	270.00	-900.0	-77.2	0.08	262.4
6,437.9	7,600.0	90.43	270.00	-900.0	-177.2	0.08	360.3
6,437.1	7,700.0	90.50	270.00	-900.0	-277.2	0.08	458.1
6,436.2	7,800.0	90.58	270.00	-900.0	-377.2	0.08	555.9
6,435.1	7,900.0	90.65	270.00	-900.0	-477.2	0.08	653.7
6,433.9	8,000.0	90.73	270.00	-900.0	-577.2	0.08	751.5
6,432.5	8,100.0	90.80	270.00	-900.0	-677.2	0.08	849.3
6,431.1	8,200.0	90.88	270.00	-900.0	-777.2	0.08	947.1
6,429.5	8,300.0	90.96	270.00	-900.0	-877.2	0.08	1,044.9
6,427.7	8,400.0	91.03	270.00	-900.0	-977.1	0.08	1,142.7
6,425.9	8,500.0	91.11	270.00	-900.0	-1,077.1	0.08	1,240.6

Energen

Preliminary Design

Company: Energen Resources
Project: Many Canyon Sec 8, T24N, R3W
Site: Many Canyon 24-03 8 #004H
Well: Preliminary Design
Wellbore: Design #1
Design: APD Plan

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North Reference: Grid
Survey Calculation Method: Minimum Curvature
Database: EDM 5000.1 Single User Db

Planned Survey

TVD (usft)	MD (usft)	Inc (°)	Azi (azimuth) (°)	N/S (usft)	E/W (usft)	Build (°/100usft)	V. Sec (usft)
6,423.9	8,600.0	91.18	270.00	-900.0	-1,177.1	0.08	1,338.4
6,421.7	8,700.0	91.26	270.00	-900.0	-1,277.1	0.08	1,436.1
6,419.5	8,800.0	91.33	270.00	-900.0	-1,377.1	0.08	1,533.9
6,417.1	8,900.0	91.41	270.00	-900.0	-1,477.0	0.08	1,631.7
6,414.6	9,000.0	91.48	270.00	-900.0	-1,577.0	0.08	1,729.5
6,411.9	9,100.0	91.56	270.00	-900.0	-1,677.0	0.08	1,827.3
6,409.1	9,200.0	91.64	270.00	-900.0	-1,776.9	0.08	1,925.1
6,406.2	9,300.0	91.71	270.00	-900.0	-1,876.9	0.08	2,022.9
6,403.1	9,400.0	91.79	270.00	-900.0	-1,976.8	0.08	2,120.6
6,400.0	9,500.0	91.86	270.00	-900.0	-2,076.8	0.08	2,218.4
6,396.6	9,600.0	91.94	270.00	-900.0	-2,176.7	0.08	2,316.2
6,393.2	9,700.0	92.01	270.00	-900.0	-2,276.7	0.08	2,413.9
6,389.6	9,800.0	92.09	270.00	-900.0	-2,376.6	0.08	2,511.7
6,385.9	9,900.0	92.17	270.00	-900.0	-2,476.5	0.08	2,609.4
6,382.1	10,000.0	92.24	270.00	-900.0	-2,576.5	0.08	2,707.2
6,378.1	10,100.0	92.32	270.00	-900.0	-2,676.4	0.08	2,804.9
6,374.0	10,200.0	92.39	270.00	-900.0	-2,776.3	0.08	2,902.7
6,369.7	10,300.0	92.47	270.00	-900.0	-2,876.2	0.08	3,000.4
6,365.4	10,400.0	92.54	270.00	-900.0	-2,976.1	0.08	3,098.1
6,360.9	10,500.0	92.62	270.00	-900.0	-3,076.0	0.08	3,195.9
6,356.2	10,600.0	92.69	270.00	-900.0	-3,175.9	0.08	3,293.6
6,351.5	10,700.0	92.77	270.00	-900.0	-3,275.8	0.08	3,391.3
6,346.6	10,800.0	92.85	270.00	-900.0	-3,375.7	0.08	3,489.0
6,341.5	10,900.0	92.92	270.00	-900.0	-3,475.5	0.08	3,586.7
6,336.4	11,000.0	93.00	270.00	-900.0	-3,575.4	0.08	3,684.4
6,331.1	11,100.0	93.07	270.00	-900.0	-3,675.3	0.08	3,782.0
6,325.6	11,200.0	93.15	270.00	-900.0	-3,775.1	0.08	3,879.7
6,320.1	11,300.0	93.22	270.00	-900.0	-3,875.0	0.08	3,977.4
6,314.4	11,400.0	93.30	270.00	-900.0	-3,974.8	0.08	4,075.1
6,308.6	11,500.0	93.38	270.00	-900.0	-4,074.6	0.08	4,172.7
6,302.6	11,600.0	93.45	270.00	-900.0	-4,174.5	0.08	4,270.4
6,298.7	11,664.0	93.50	270.00	-900.0	-4,238.3	0.08	4,332.8
4-1/2"							
6,298.7	11,664.8	93.50	270.00	-900.0	-4,239.1	0.08	4,333.6

Energen
Preliminary Design

Company:	Energen Resources	Local Co-ordinate Reference:	Site Many Canyon 24-03 8 #004H
Project:	Many Canyon Sec 8, T24N, R3W	TVD Reference:	WELL @ 0.0usft (Original Well Elev)
Site:	Many Canyon 24-03 8 #004H	MD Reference:	WELL @ 0.0usft (Original Well Elev)
Well:	Preliminary Desgin	North Reference:	Grid
Wellbore:	Design #1	Survey Calculation Method:	Minimum Curvature
Design:	APD Plan	Database:	EDM 5000.1 Single User Db

Casing Points

Measured Depth (usft)	Vertical Depth (usft)	Name	Casing Diameter (")	Hole Diameter (")
500.0	500.0	9 5/8"	9-5/8	12-1/4
7,100.0	6,440.0	7"	7	8-3/4
11,664.0	6,298.7	4-1/2"	4-1/2	4-1/2

Checked By: _____	Approved By: _____	Date: _____
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Drilling Plan

Energen Resources Corporation

Many Canyon 24-03 8 #4H

Surface Location: 1230 FSL, 716 FEL

Legal Description: Sec 8, T24N, R3W (36.321030° N, 107.173370° W – NAD83)

Bottom Hole Location: 330 FSL, 330 FWL

Legal Description: Sec 8, T24N, R3W (36.318500° N, 107.187762° W – NAD83)

Rio Arriba County, NM

1. The elevation of the unprepared ground is 6,878 feet above sea level.
2. The geological name of the surface formation is the Nacimiento.
3. A rotary rig will be used to drill the well to a Proposed Total Depth of 6,440' TVD/11,665' MD.
4. Estimated top of important geological markers:

<u>Formation</u>	<u>Depth (TVD)(ft)</u>	<u>Depth (MD)(ft)</u>
Nacimiento	Surface	Surface
Ojo Alamo	2,572	2,572
Kirtland	2,762	2,762
Pictured Cliffs	3,852	3,852
Huerfano Bentonite	3,445	3,445
Chacra	3,936	3,936
Cliff House	4,711	4,863
Menefee	4,733	4,887
Point Lookout	5,228	5,414
Mancos	5,582	5,791
Mancos/Niobrara "B"	6,399	6,804

5. Estimated depth at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered:

<u>Formation</u>	<u>Depth (TVD)(ft)</u>	<u>Water/HydroCarbon</u>
Pictured Cliffs	3,852	Gas
Cliffhouse	4,711	Gas
Point Lookout	5,228	Gas
Mancos	5,582	Oil/Gas

6. All proposed casing is new and the program is as follows:

Casing	Size	Depth		Grade	Weight	Connection	PSI x1000 lbs		
		MD	TVD				Burst	Collapse	Tension
Surface	9-5/8"	0-500'	0-500'	J-55	36.00	STC	3520	2020	394
Intermediate	7"	0-7,100'	0-6,440'	L-80	26.00	DQX TMK IPSCO	7240	5410	830
Production	4-1/2"	6,950'-11,664'	6,440'-6,300'	P-110	11.60	DQX TMK IPSCO	10690	7560	367

7. Cementing Program:

- a. 12-1/4" hole x 9-5/8" casing at 500' will have cement circulated to surface with 270 sks (100% excess true hole) Class H Cement with 1.0 % CaCl_2 , 1/2 #/sk Poly-E-Flake 15.8 ppg, 1.17 ft³/sk.
Note: CEMENT MUST BE CIRCULATED TO SURFACE. STANDARD BOW SPRING CENTRALIZERS SHALL BE PLACED ON THE FIRST 3 (BOTTOM 3) JOINTS OF CASING (1 PER JOINT) AND 1 EVERY 3RD JOINT TO SURFACE. 20 BBLs OF WATER FOLLOWED BY 20 BBLs OF MUDFLUSH AHEAD OF CEMENT AS SPACER
- b. 8-3/4" hole x 7" casing at 7,100'. Cement will be circulated to surface with 760 sks (50% excess true hole) of HLC with 1.0 % CaCl_2 , 1/4 #/sk Poly-E-Flake, 5 #/sk Kol-Seal (Gilsonite) – 12.3 ppg, 1.95 ft³/sk followed by 115 sks (100% excess true hole) 50/50 Glass H/Poz with 0.15% Versaset, 0.30% HALAD-9, 1/4 #/sk Poly-E-Flake, 5 #/sk Kol-Seal – 13.5 ppg, 1.31 ft³/sk. ONE CENTRALIZER PER JOINT FOR THE FIRST 3 JOINTS, THEN EVERY 3RD JOINT TO SURFACE. 10 BBLs OF WATER FOLLOWED BY 30 BBLs OF MUDFLUSH AHEAD OF CEMENT AS SPACER. Test Intermediate Casing to 1500 psi. Cement Additives Subject to Change Based on Wellbore Conditions and Cement Design Criteria
- c. 6-1/4" hole x 4-1/2" liner at 11,664'. A fluid caliper will be run to determine base slurry cement to have TOC at 6,950'. Base slurry to consist of 475 sks 50/50 Class H/Poz with 0.10% Versaset, 1.5 gal/sk CHEM-FOAMER 760, 0.10% sa-1015, 0.20% HALAD-766 – 13.5 ppg, 1.27 ft³/sk, Foamed density 10.5 ppg. 50 sks of base slurry to be used as tail cement less foaming agent. CENTRALIZERS TO BE USED AT DISCRETION IN LATERAL TO ACHIEVE 70% STAND OFF. PACKOFF SEAL ASSEMBLY TO BE USED FOR LINER TOP ISOLATION. Cement Additives Subject to Change Based on Wellbore Conditions and Cement Design Criteria. Liner to be Pressure Tested During Completion Operations.

8. Pressure Control Equipment

- a. BOPE to be installed prior to Surface Casing drillout.
- b. Pressure control equipment will be used to meet 2,000 (2M) psi specifications.
- c. BOPE working pressure of 3,000 psi.
- d. Function test and visual inspection to be done at each casing size change prior to drill out.
- e. BOP annular to be tested to 85% of working pressure.
- f. All BOP and related equipment will be tested in accordance with the requirements outlined in Onshore Order No. 2 and Notice to Operators dated May 27, 2005.
- g. BOP remote controls to be located on rig floor and readily accessible, master control on ground at accumulator will be able to function all preventors.
- h. Kill line will be 2 in min and have two kill line valves, one being a check valve.
- i. Choke line will be 2 in min and have two choke line valves, choke manifold with have two adjustable chokes, one manual and one remote. All choke lines will be as straight as possible. Any turns will be properly targeted using block and/or running tees. Choke line and manifold to be pressure tested to 1,500 psi.
- j. Float sub and TIW valve will be on the rig floor at all times.
- k. If high pressure co-flex hoses are used, they will be run as straight as possible and anchored to prevent whip.
- l. The main discharge line (panic line) will be at least 100' from the choke manifold and discharged into an appropriately sized discharge facility.

9. Mud Program:

0' - 500'	Fresh water/Spud Mud. Paper for losses and seepage. 8.5 to 9.0 ppg, 32 to 75 vis, PV 3 to 5, YP 5 to 7, WL NC
500' - 7,100'	Fresh water/LSND. As needed LCM for losses and seepage. 8.5 to 9.5 ppg, pH 10, 28 to 60 vis, PV 1, YP 1, WL 8-15
7,100' - 11,664'	WBM with shale and clay stabilizers. As needed LCM for losses and seepage. 8.3 to 9.3 ppg, 15 to 35 vis, PV 4-6, YP 4-6, WL < 20

****During drilling operations, all necessary products will be sufficiently stored on location for abnormal situations. The characteristics, use, testing of drilling mud and the implementation of related drilling procedures shall be designed to prevent the loss of well control. Sufficient quantities of mud materials shall be maintained or readily accessible for the purpose of assuring well control.**

****A pH of 10 or above in the fresh water base mud system shall be maintained to control the effects corrosion has on metallurgy of equipment used.**

Operating and Maintenance

Energex Resources Corporation will be using all above ground steel pits for fluid and cuttings while drilling. If any tank develops a leak we will have immediate visual discovery, we would then transfer the fluid to another tank then remove any contaminated soil and dispose of it in the cuttings bins for transportation. Any leaks, spills or other undesirable events will be reported in accordance with BLM NTL 3A. Rig crews will monitor the tanks at all times. A trip/surge tank will be used to monitor returns for any "kicks" of formation fluids.

Equipment:

2-Mongoose Shale Shakers

2-3400 High Speed Centrifuges with stands and pumps

2-Roll off bins with Tracks

2-200 bbl Open top Frac tanks

1-Mud/Gas Separator and Degasser

1-Trip/Surge Tank

Electronic or Visual monitoring system to indicate lost returns

10. Testing, Logging and Coring Program:

- a. Testing Program: No drillstem tests are anticipated
- b. Electric Logging Program: TBD
- c. LWD Program: TBD
- d. Coring Program: None.
- e. CBL's and/or Temperature Surveys Will Be Performed as Needed or Required.

11. Bottom Hole Pressure expected to be 2,500 +/- psi

12. Bottom Hole Temperature expected to be 160 deg F.

ENERGEN RESOURCES CORPORATION

MANY CANYONS 24-03 8 #4H

1230' FSL & 716' FEL

SEC. 8, T-24-N, R-3-W, N.M.P.M.

RIO ARRIBA COUNTY, NEW MEXICO

WELL FLAG LOCATED AT

36.321030° N

107.173370° W

NAD 83

DIRECTIONS

1. FROM THE INTERSECTION OF HWY 64 AND US-550 IN BLOOMFIELD, NEW MEXICO, TRAVEL SOUTH ON US-550 FOR 65.9 MILES TO M.P. 86; CONTINUE 0.5 MILES.
2. TURN LEFT (NORTH) ON STATE HWY 537 13.6 MILE TO ROAD J19 (COUNTY ROAD 370)
3. TURN RIGHT (EAST) CONTINUE 5.6 TO AN EXISTING ACCESS.
4. TURN RIGHT (SOUTH) TO LOCKED GATE (BLUE). CONTINUE 1,300' FEET (.25 MILES) TO THE NEW WELL LOCATION.

tegre
integrity - respect - responsibility

1199 MAIN AVENUE
SUITE 101
DURANGO, COLORADO 81301
(970)828-4732

ENERGEN RESOURCES CORPORATION
MANY CANYONS 24-03 8 #4H, 1230' FSL & 716' FEL
SEC. 8, T-24-N, R-3-W, N.M.P.M., RIO ARRIBA CO, NM
GROUND ELEVATION: 6877.9'
DESIGN ELEVATION: 6881.0'

PROJ. NO

CLIENT

DRAWN BY

DATE

CHECKED BY

DATE

WHE

03/12/15

GWR

03/12/15

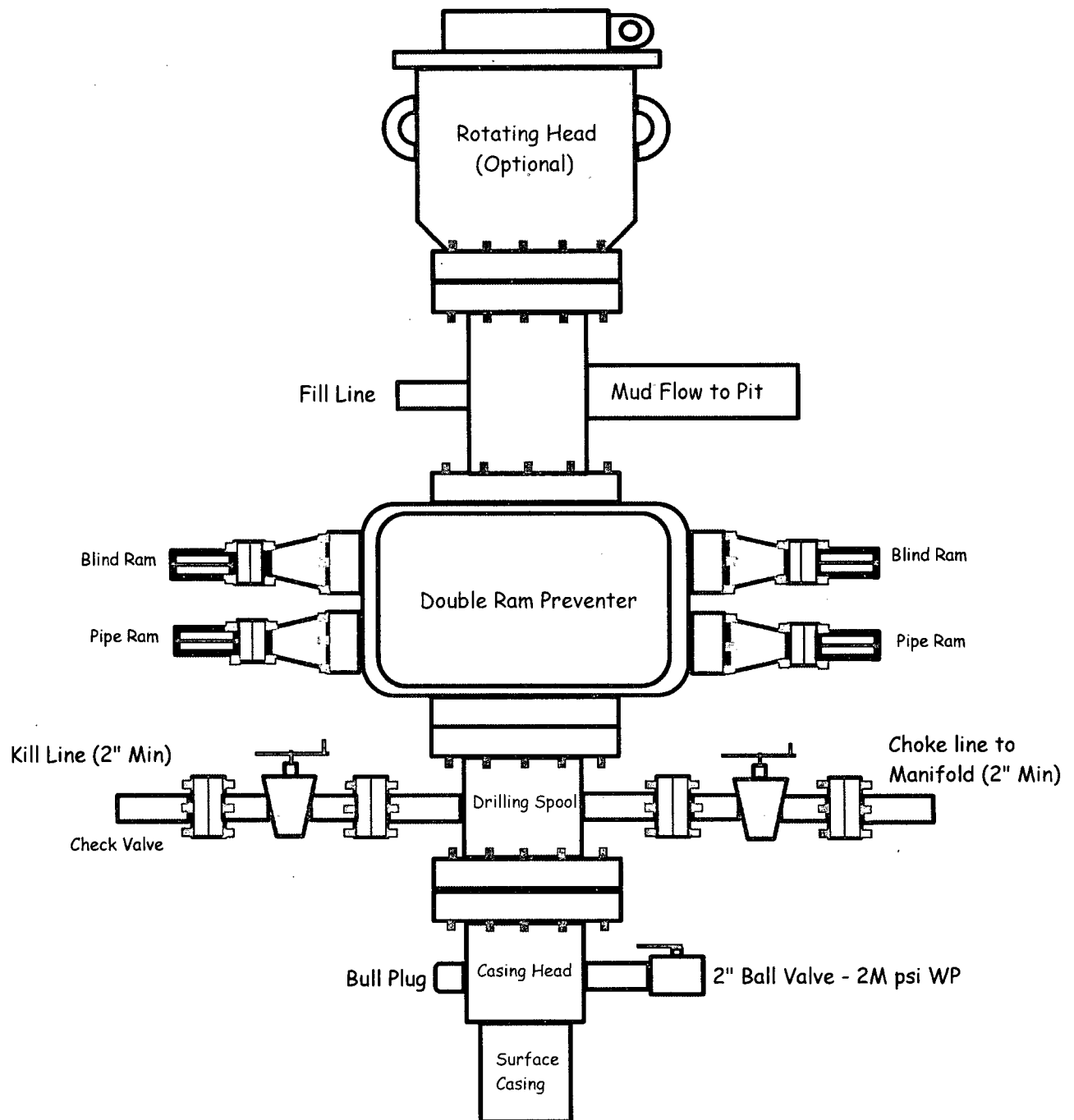
ENERGEN

SHEET

1
OF

1

Typical BOP Schematic - 3M psi System



State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach
Division Director
Oil Conservation Division



**New Mexico Oil Conservation Division Conditions of Approval
(C-101 Application for permit to drill)**

- ☒ Notify Aztec OCD 24hrs prior to casing & cement.
- ☒ Hold C-104 for directional survey & "As Drilled" Plat
- ☒ Hold C-104 for NSL, NSP, DHC
- ☐ Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned
- ☒ Regarding the use of a pit, closed loop system or below grade tank, the operator must comply with the following as applicable:
 - A pit requires a complete C-144 be submitted and approved prior to the construction or use of the pit, pursuant to 19.15.17.8.A
 - A closed loop system requires notification prior to use, pursuant to 19.15.17.9.A
 - A below grade tank requires a registration be filed prior to the construction or use of the below grade tank, pursuant to 19.15.17.8.C
- ☐ Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
- ☒ Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84
- ☒ Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.
- ☒ Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore Communication to be reported in accordance with 19.15.29.8.