

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 approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: 7/20/2015

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf. Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-25577-00-00	TRADING POST	001	ENERGEN RESOURCES CORPORATION	G	A	San Juan	F	B	34	27	N	12	W

Application Type:

☒ P&A ☐ Drilling/Casing Change ☐ Location Change

☐ Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84)

☐ Other:

Conditions of Approval: Place 100 foot Pictured Cliffs plug: 50 feet below formation top; tag one foot below bottom of perf.

NMOCD Approved by Signature

8/5/15
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS JUL 20 2015

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

Farmington Field Office

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

ENERGEN RESOURCES CORPORATION

3a. Address

2010 Afton Place, Farmington, NM 87401

3b. Phone No. (include area code)

505-325-6800

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

790' ENL 1750' FEL, Sec. 34 T27N R12W N.M.P.M., (B) NW/NE

5. Lease Serial No.

NM33026

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Trading Post #1

9. API Well No.

30-045-25577

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

11. County or Parish, State

San Juan NM

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 type="checkbox"/> Change Plans | <input checked="" type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| <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 recomple 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 recomple 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.)

Energgen Resources intends to plug and abandon the Trading Post #1 according to the attached procedure.
This will be a closed loop operation. NMOC will be notified 24 hrs prior to commencing operations.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

OIL CONS. DIV DIST. 3

JUL 24 2015

BLM'S APPROVAL OR ACCEPTANCE OF THIS
ACTION DOES NOT RELIEVE THE LESSEE AND
OPERATOR FROM OBTAINING ANY OTHER
AUTHORIZATION REQUIRED FOR OPERATIONS
ON FEDERAL AND INDIAN LANDS14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Anna Stotts

Title Regulatory Analyst

Signature

Date 7/20/15

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Troy Salvors

Title PE

Date 7/21/2015

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.

Office FFO

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.

NMOCDAV

PLUG AND ABANDONMENT PROCEDURE

June 30, 2015

Trading Post #1

Basin Fruitland Coal

790' FNL, 1750' FEL, Section 34, T27N, R12W, San Juan County, New Mexico

API 30-045-25577 / Long _____ / Lat: _____

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.

1. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.
2. Rods: Yes X , No , Unknown .
Tubing: Yes X , No , Unknown , Size 2-3/8" , Length 1243' .
Packer: Yes , No X , Unknown , Type .
3. **NOTE: BLM requires a CBL log to be run on all wells where the cement did not circulate to surface or a CBL log was not previously run. This procedure is prepared with the understanding that it may be modified based on the TOC from the CBL.**
4. **Plug #1 (Chacra top, 1770' – 1638')**: TIH with tubing and tag existing CIBP at 1770'. Spot 18 sxs Class B cement (excess due to open perms) inside casing from 1770' to isolate the Chacra interval. PUH and WOC. TIH and tag cement; if necessary top off plug.TOH.
5. **Plug #2 (Pictured Cliffs Interval and Fruitland top, 1176' – 846')**: Round trip gauge ring or casing scraper to 1176', or as deep as possible. RIH and set 4.5" cement retainer at 1176'. Pressure test tubing to 1000 PSI. Load casing with water and circulate well clean. Pressure test casing to 800#. **If the casings do not test, then spot or tag subsequent plugs as appropriate.** Circulate well clean. Mix 29 sxs Class B cement inside casing from CR to isolate the Pictured Cliffs Interval and the Fruitland top. TOH and LD tubing.
6. **Plug #3 (8.625" Surface casing shoe and Kirtland top, 360' – 0')**: Perforate squeeze holes at 360'. Establish circulation out bradenhead with water and circulate the BH annulus clean. Mix approximately 115 sxs Class B cement and pump down the 4.5" casing to circulate good cement to surface. Shut in well and WOC.
7. ND cementing valves and cut off wellhead. Fill annuli with cement as necessary. Install P&A marker to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. RD, MOL and cut off anchors. Restore location per BLM stipulations

Trading Post #1

Current

Today's Date: 6/30/15

Basin Fruitland Coal

790' FNL & 1750' FEL, Section 34, T-27-N, R-12-W, San Juan County, NM

Spud: 2/22/83
DK Completed: 3/16/83
FtC Completed: 4/23/03
Plugback: 4/23/03

Lat: N _____ / Long: W _____ / API #30-045-25577

Kirtland @ 176'

Elevation: 5846' GI
5858' KB

Fruitland @ 896'

Pictured Cliffs @ 1240'

Chacra @ 1688'

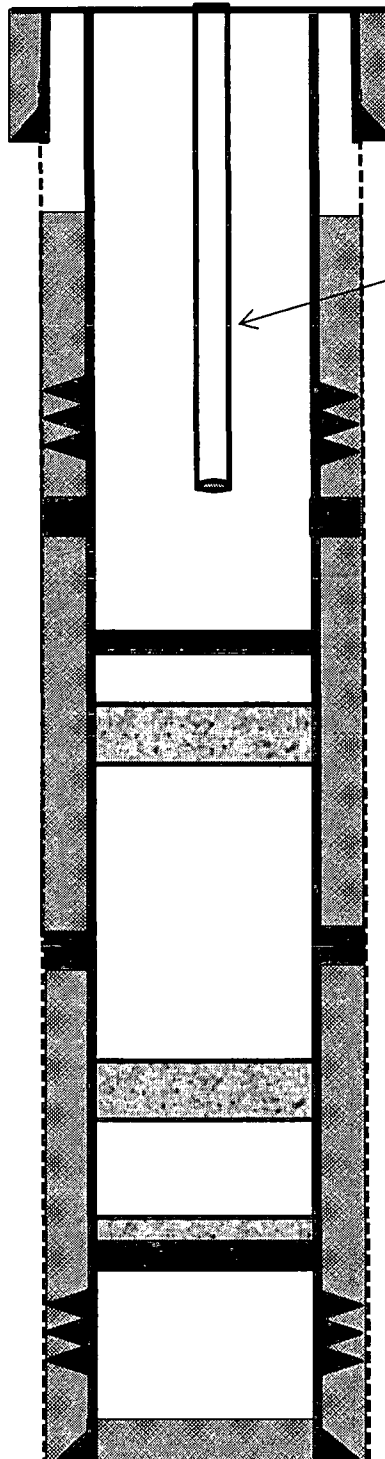
Mesaverde @ 2122'

Gallup @ 4820'

Dakota @ 5790'

12-1/4" hole

7-7/8" hole



8-5/8" 24#, K-55 Casing set @ 310'
Cmt with 295 cf; cement fell back. Spot
additional 59 cf to surface.

2-3/8", 4.7#, J-55 tubing at
1243' with rods and pump

Fruitland Coal Perforations:
1226' - 1240'

DV Tool @ 1405'
Stage 3: Cement with 442 cf
TOC by TS @ 450'

Set CIBP @ 1770' (2003)

Existing Plug #3: 2120' - 1958'
11 sxs Class C Cement (2003)

TOC at DV tool, (calc 75%)

DV Tool @ 4111'
Stage 2: Cement with 877 cf
TOC at 3rd DV Tool

Existing Plug #2: 4920' - 4758'
11 sxs Class C Cement (2003)

Existing Plug #1: 5805' - 5643'
11 sxs Class C Cement (2003)

Set CIBP @ 5805' (2003)

Dakota Perforations:
5855' - 5880'

4-1/2" 10.5#, J-55 Casing set @ 5999'
Stage 1: Cement with 362 cf

TD 6000'
New PBTD @
1770'

Trading Post #1

Proposed P&A

Basin Fruitland Coal

Today's Date: 6/30/15

790' FNL & 1750' FEL, Section 34, T-27-N, R-12-W, San Juan County, NM

Lat: N _____ / Long: W _____ / API #30-045-25577

Spud: 2/22/83

DK Completed: 3/16/83

FtC Completed: 4/23/03

Plugback: 4/23/03

Kirtland @ 176'

Elevation: 5846' GI
5858' KB

12-1/4" hole

Fruitland @ 896'

Pictured Cliffs @ 1240'

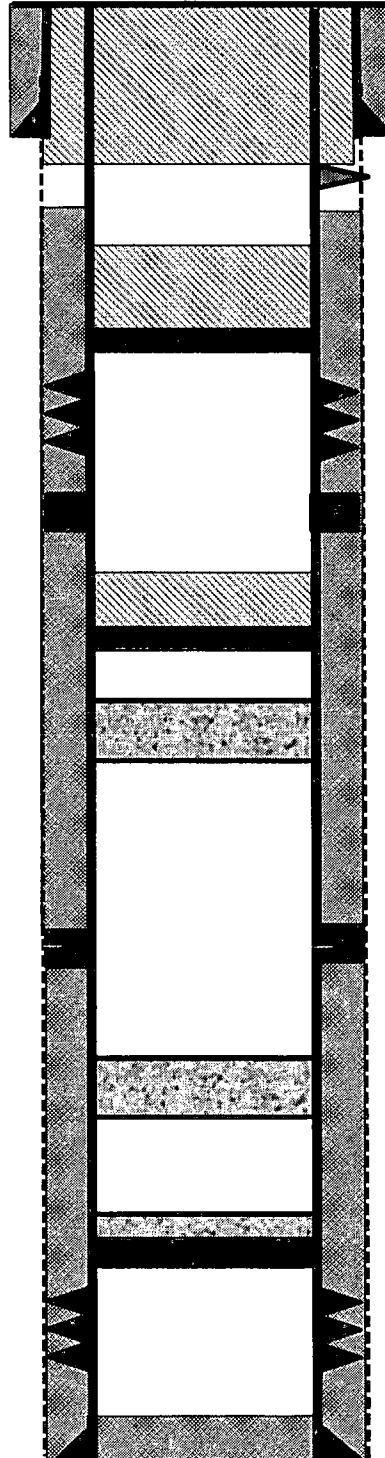
Chacra @ 1688'

Mesaverde @ 2122'

Gallup @ 4820'

Dakota @ 5790'

7-7/8" hole



Plug #3: 360' - 0'

Class B Cement, 115 sxs

8-5/8" 24#, K-55 Casing set @ 310'
Cmt with 295 cf; cement fell back. Spot
additional 59 cf to surface.

Perforate @ 360'

Plug #2: 1176' - 846'

Class B Cement, 29 sxs

Set CR @ 1176'

Fruitland Coal Perforations:
1226' - 1240'

DV Tool @ 1405'
Stage 3: Cement with 442 cf
TOC by TS @ 450'

Plug #1: 1770' - 1638'

Class B Cement, 18 sxs
(excess due to open perfs)

Set CIBP @ 1770' (2003)

Existing Plug #3: 2120' - 1958'

11 sxs Class C Cement (2003)

TOC at DV tool, (calc 75%)

DV Tool @ 4111'
Stage 2: Cement with 877 cf
TOC at 3rd DV Tool

Existing Plug #2: 4920' - 4758'

11 sxs Class C Cement (2003)

Existing Plug #1: 5805' - 5643'

11 sxs Class C Cement (2003)

Set CIBP @ 5805' (2003)

Dakota Perforations:
5855' - 5880'

4-1/2" 10.5#, J-55 Casing set @ 5999'
Stage 1: Cement with 362 cf

TD 6000'
PBTD 1770'

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: Trading Post #1

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.

Operator will run a CBL to verify cement top. Submit the electronic copy of the log for verification to the following addresses: tsalyers@blm.gov Brandon.Powell@state.nm.us

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.