

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

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-03202	
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. If Indian, Allottee or Tribe Name	
2. Name of Operator Energex Resources Corporation 162928		7. Unit or CA Agreement Name and No.	
3a. Address 2198 Bloomfield Highway Farmington, New Mexico 87401		8. Lease Name and Well No. San Juan #200S 21384	
3b. Phone No. (include area code) (505) 325-6800		9. API Well No. 30-046-33026	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 1435' fnl, 2030' fw1 At proposed prod. zone		10. Field and Pool, or Exploratory Basin Fruitland Coal 71629	
14. Distance in miles and direction from nearest town or post office* Approximately 6.6 miles north east of Aztec.		11. Sec., T., R., M., or Blk. and Survey or Area 6/ F S10, T30N, R10W	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 1435'		12. County or Parish San Juan	
16. No. of Acres in lease 320		13. State NM	
17. Spacing Unit dedicated to this well 310.26 W 1/2		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Approx. 750'	
19. Proposed Depth 3272'		20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) GL 6473'		22. Approximate date work will start* 06/15/05	
		23. Estimated duration 14 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:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Nathan Smith	Date 4/15/05
---	---	------------------------

Title Drilling Engineer		
-----------------------------------	--	--

Approved by (Signautre) 	Name (Printed/Typed)	Date 12/15/05
--	----------------------	-------------------------

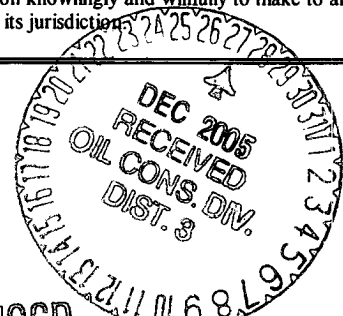
Title Acting AFM	Office
----------------------------	--------

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 page 2)





NMOCDD

RECEIVED
 APR 15 2005
 P 9 4 08
 BLM BUREAU OF LAND MANAGEMENT
 FARMINGTON, NM

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 30-045-33026		² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL (gas)
⁴ Property Code 21384	⁵ Property Name SAN JUAN		⁶ Well Number 2005
⁷ OGRID No. 162928	⁸ Operator Name ENERGEN RESOURCES CORPORATION		⁹ Elevation 6473'

¹⁰ Surface Location

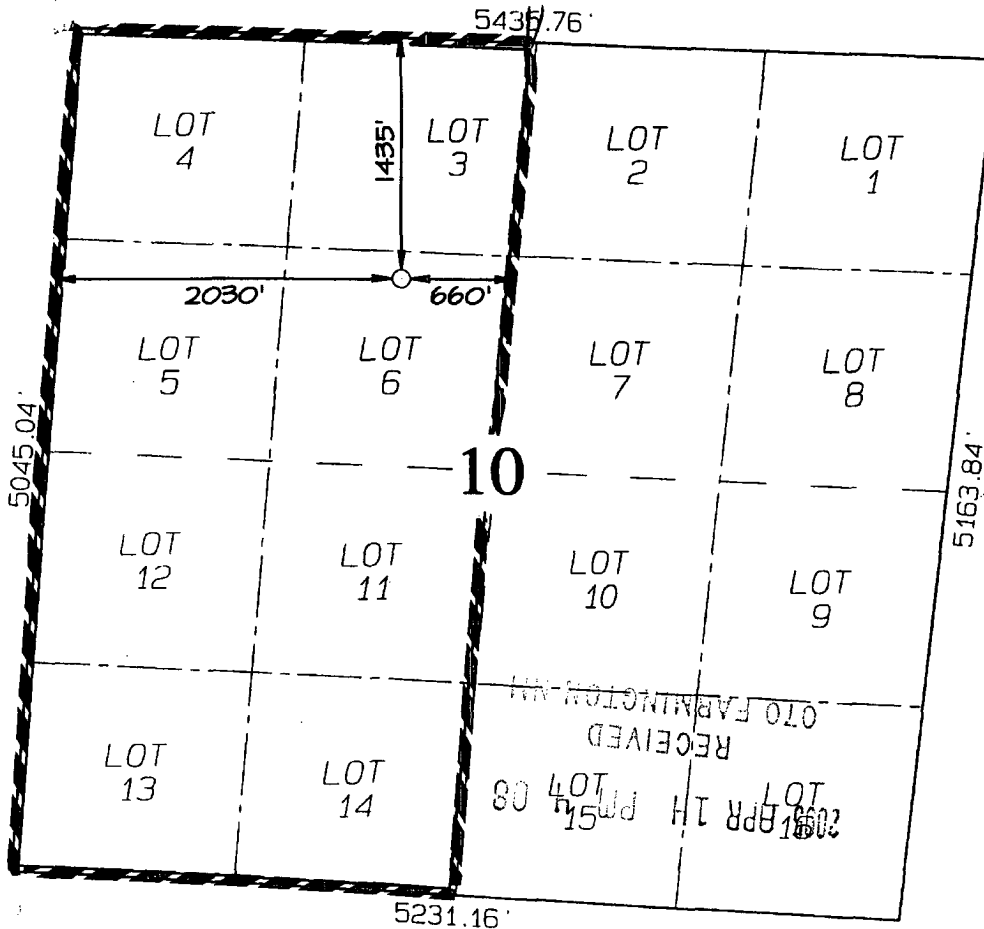
U. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	10	30N	10W		1435	NORTH	2030	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

U. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 310.26 Acres - (W/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
---	-------------------------------	----------------------------------	-------------------------

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

Nathan Smith
Signature
Nathan Smith
Printed Name
Drilling Engineer
Title
4/14/05
Date

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, DECEMBER 7, 2004

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

RECEIVED
OIL CONSERVATION DIVISION
SANTA FE, NM
APR 14 PM 5:08

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 87240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. <u>30-045-33024</u>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <u>NM 03202</u>
7. Lease Name or Unit Agreement Name: <u>San Juan</u>
8. Well Number <u>200S</u>
9. OGRID Number <u>162928</u>
10. Pool name or Wildcat <u>Basin Fruitland Coal</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>6473' GL</u>
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>
Pit type <u>Drill</u> Depth to Groundwater <u>>100'</u> Distance from nearest fresh water well <u>>1000'</u> Distance from nearest surface water <u>>200'</u>
Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
Energen Resources Corporation

3. Address of Operator
2198 Bloomfield Highway, Farmington, NM 87401

4. Well Location
 Unit Letter F; 1435' feet from the North line and 2030' feet from the West line
 Section 10 Township 30N Range 10W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6473' GL

Pit or Below-grade Tank Application or Closure

Pit type Drill Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water >200'

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK PLUG AND ABANDON

TEMPORARILY ABANDON CHANGE PLANS

PULL OR ALTER CASING MULTIPLE COMPLETION

OTHER: Build drilling pit

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTERING CASING

COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT

CASING TEST AND CEMENT JOB

OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion 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 BLM 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

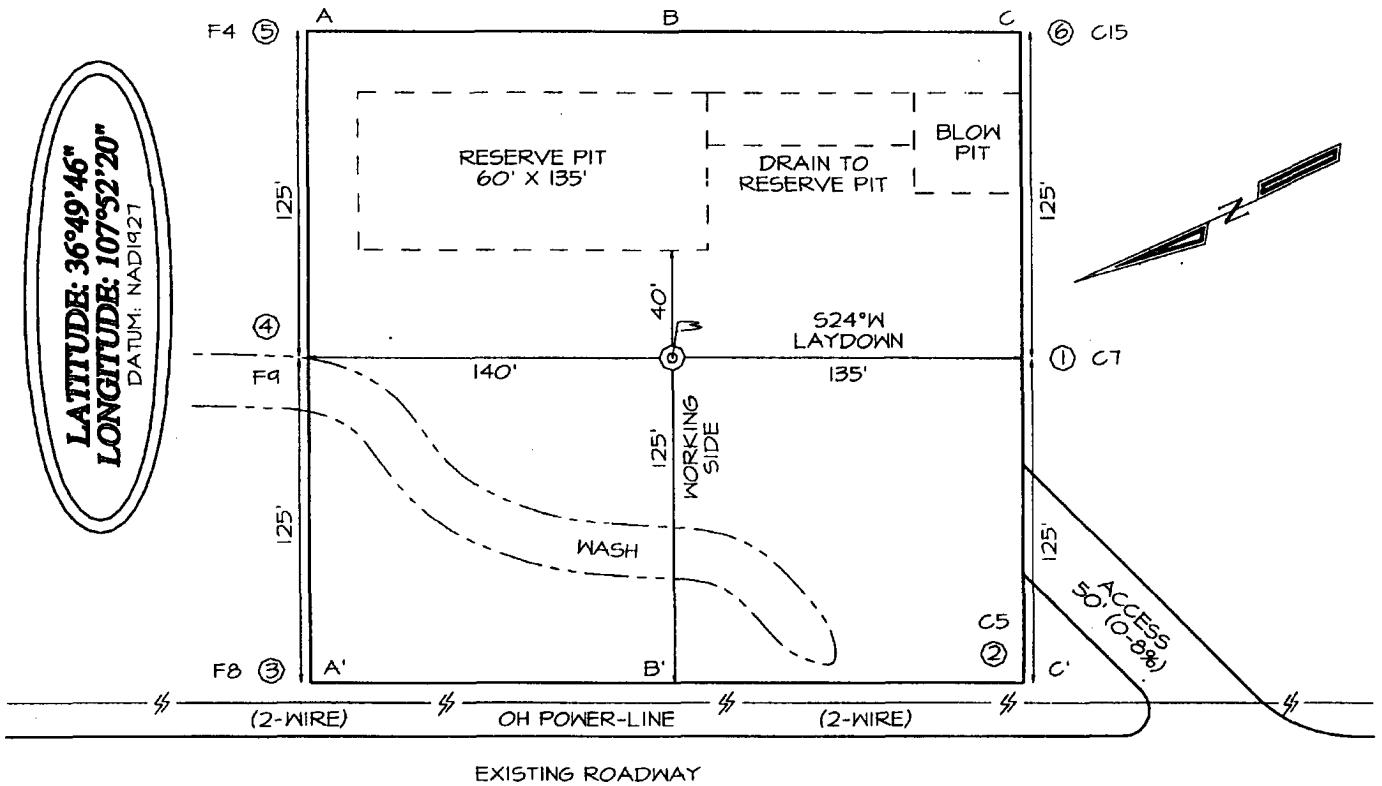
SIGNATURE Nathan Smith TITLE Drilling Engineer DATE 04/14/05
 E-mail address: nsmith@energen.com
 Type or print name Nathan Smith Telephone No. 505.325.6800

For State Use Only

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. (D) DATE DEC 27 2005
 Conditions of Approval, if any:

**ENERGEN RESOURCES CORPORATION SAN JUAN #200S
 1435' FNL & 2030' FWL, SECTION 10, T30N, R10W, NMPM
 SAN JUAN COUNTY, NEW MEXICO GROUND ELEVATION: 6473'**

**LATITUDE: 36°49'46"
 LONGITUDE: 107°52'20"
 DATUM: NAD1927**



A-A'									
6483'									
6473'									
6463'									

B-B'									
6483'									
6473'									
6463'									

C-C'									
6483'									
6473'									
6463'									

Operations Plan

April 14, 2005

San Juan #200S

General Information

Location	1435' fnl, 2030' fwl senw S10, T30N, R10W San Juan County, New Mexico
Elevations	6473' GL
Total Depth	3272' (MD)
Formation Objective	Basin Fruitland Coal

Formation Tops

San Jose	Surface
Ojo Alamo Ss	1821'
Kirtland Sh	1891'
Fruitland Fm	2713'
Top Coal	2890'
Bottom Coal	3088'
Pictured Cliffs Ss	3088'
Total Depth	3272'

Drilling

ABHP ~ 1400 psi

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: Surface and/or every 500' to TD

Tubulars

Casing, Tubing, & Casing Equipment:

String	Interval	Wellbore	Casing	Csg Wt	Grade
Surface	0'-300'	12 1/4"	8 5/8"	24.0 ppg	J-55 ST&C
Production	300'-3272'	7 7/8"	5 1/2"	15.5 ppg	J-55 LT&C
Tubing	0'-3200'		2 3/8"	4.7 ppg	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 1/2" Larkin casing head. 5 1/2" 2000 x 2" tubing head.

Cementing

Surface Casing: 225 sks Std (class B) with 2.0 % CaCl₂ and 1/4 #/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 psf for 30 min.

Production Casing: Before cementing, circulate hole at least 1 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 500 sks 65/35 with 6.0 % Bentonite, 2.0 % CaCl₂, 10 #/sk Gilsonite, and 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 1/4 #/sk Flocele (15.2ppg, 1.24 ft³/sk). (1159.8 ft³ of slurry, 100 % excess to circulate to surface).

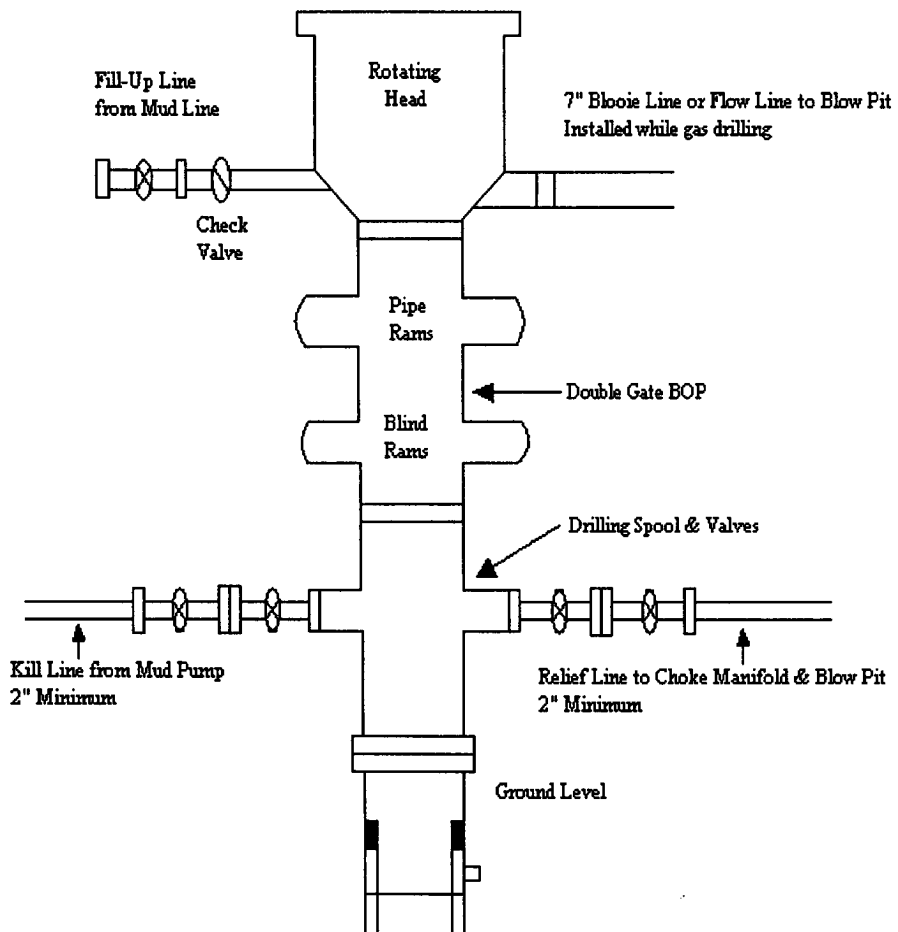
Pump 30 sks of flyash scavenger spacer consisting of 15.0 % Benonite and 0.15 % HR-5 ahead of cement

Other Information

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

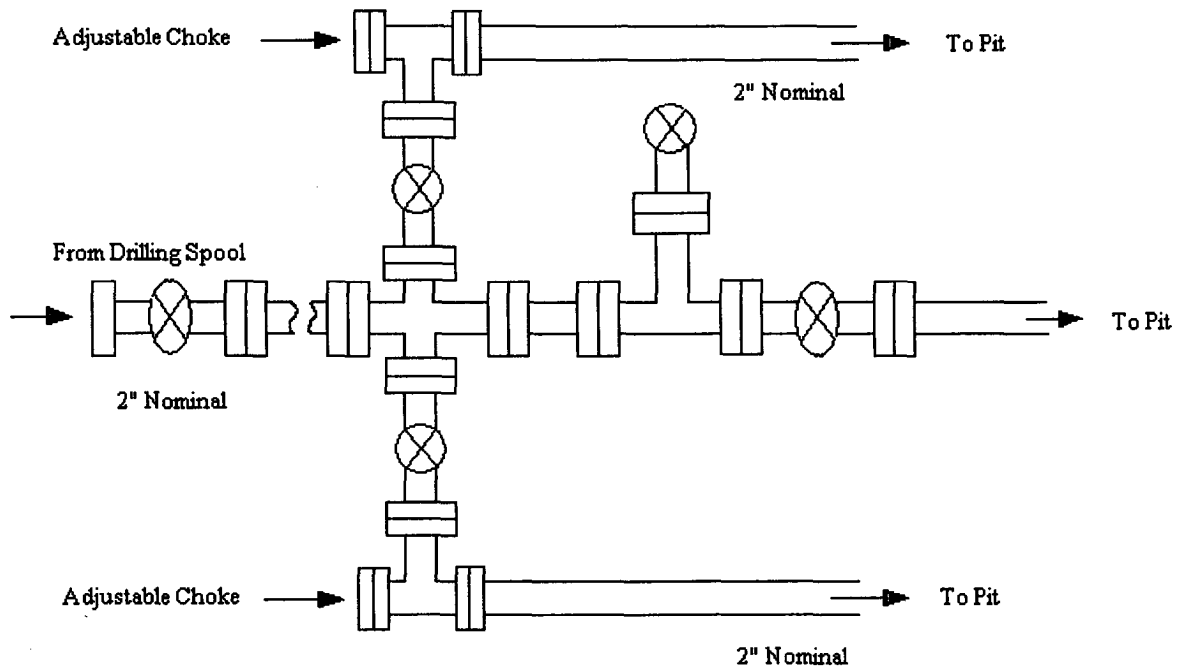
Energen Resources Corporation

Typical BOP Configuration for Gas Drilling



Energen Resources Corporation

Typical 2000 psi Choke Manifold Configuration



Choke manifold installed from surface to TD