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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

| | | |
|---|---|--|
| 1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. SF 077972 |
| b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe Name |
| 2. Name of Operator ENERGEN RESOURCES CORPORATION | | 7. If Unit or CA Agreement, Name and No. |
| 3A. Address c/o Walsh Engineering, 7415 E. Main, Farmington, NM 87402 | | 8. Lease Name and Well No. Richardson Com #3S |
| 3b. Phone No. (include area code) (505) 327-4892 | | 9. API Well No. 30045 32212 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 820' FSL and 1980' FWL 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* 9 miles south of Farmington, NM | | 11. Sec., T., R., M., or Blk. and Survey or Area N Sec. 2, T27N, R13W |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 820' | 16. No. of Acres in lease 320+ | 17. Spacing Unit dedicated to this well 319.61 320 acres (West half) |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 200' | 19. Proposed Depth 1640 +/- | 20. BLM/BIA Bond No. on file |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5945' GL | 22. Approximate date work will start* June 15, 2004 | 23. Estimated duration 1 week |

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 office. |

| | | |
|---|---|--------------------------|
| 25. Signature <i>Paul C. Thompson</i> | Name (Printed/Typed) Paul C. Thompson, P.E. | Date 2/25/2004 |
| Title Agent | | |
| Approved by (Signature) <i>[Signature]</i> | Name (Printed/Typed) | Date 5/10/06 |
| Title AFM | Office FFO | |

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.

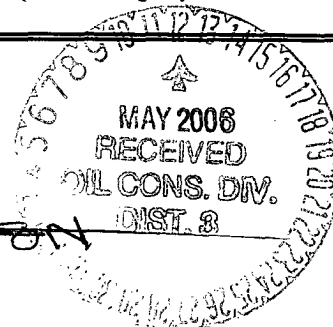
*(Instructions on reverse)

This action is subject to technical and final 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".

NRMOCD

FARMINGTON



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

District II
PO Drawer 00, 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

| | | | |
|-----------------------------|---|---------------------|------------------------------------|
| *API Number 30-045-32212 | | *Pool Code 71629 | *Pool Name BASIN FRUITLAND COAL |
| *Property Code 21992 | *Property Name RICHARDSON COM | | *Well Number 35 |
| *OGRID No. 162928 | *Operator Name ENERGEN RESOURCES CORPORATION | | *Elevation 5945' |

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 |
| N | 2 | 27N | 13W | | 820 | SOUTH | 1980 | WEST | 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 319.61 Acres - (W/2) | ¹³ Joint or Infill Y | 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

| | | | | | | |
|--|----------|-------|-------|-------|----------------------------------|--|
| ¹⁶ 1312.08' LOT 4 1320.00' 2640.00' | 5280.00' | LOT 3 | LOT 2 | LOT 1 | 1318.02' 1320.00' 2640.00' | ¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <u>Paul C. Thompson</u> Signature <u>PAUL C. THOMPSON</u> Printed Name <u>AGENT</u> Title <u>2/25/04</u> 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. Date of Survey: APRIL 18, 2003 Signature and Seal of Professional Surveyor  <u>JASON C. EDWARDS</u> Certificate Number 15269 |

2

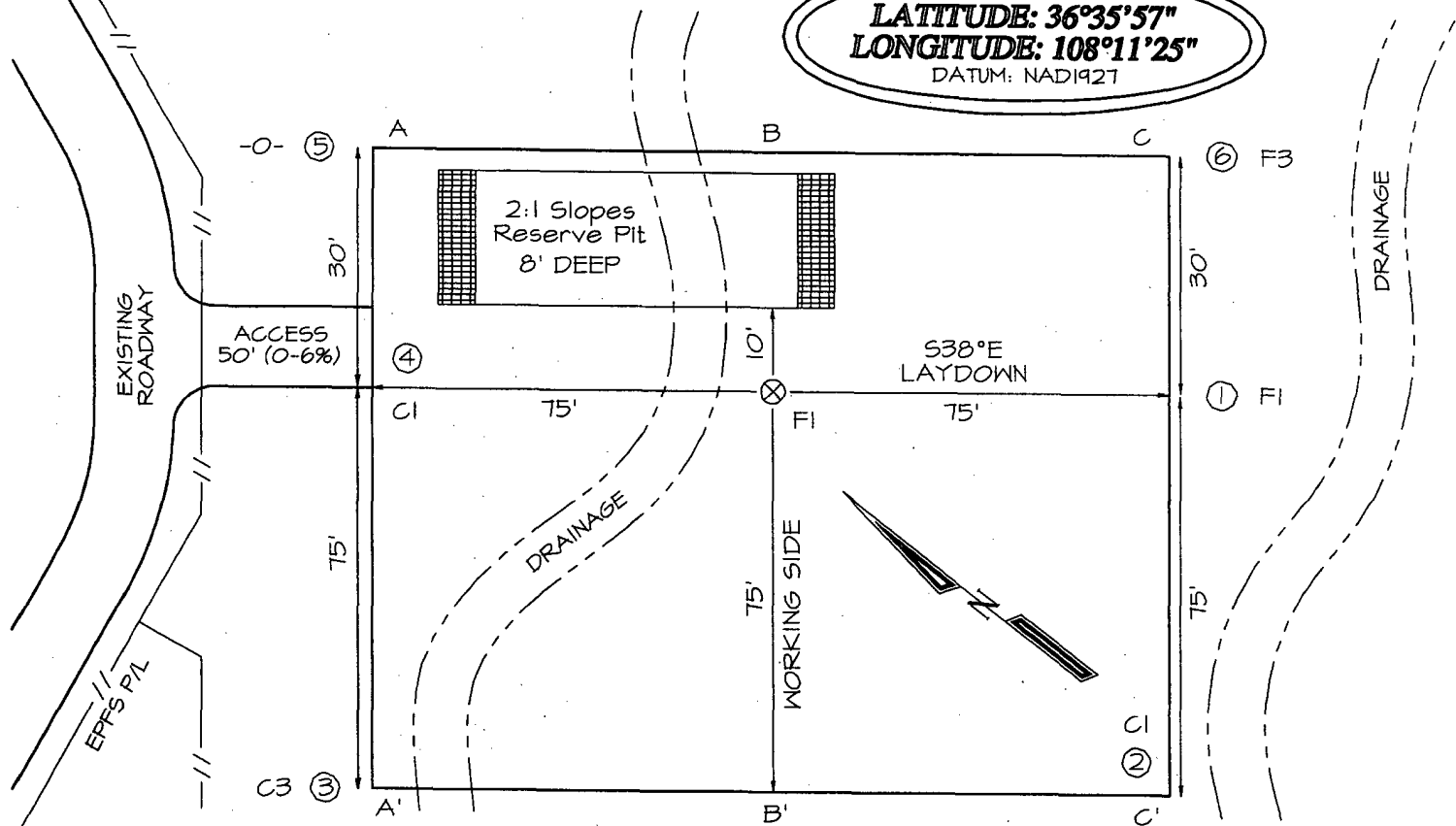
1980' 660' 820' 5281.32'

070 Farmington, NM
15 FEB 27 AM 11:51
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ENERGEN RESOURCES CORPORATION RICHARDSON COM #3S
 820' FSD & 1980' FWL, SECTION 2, T27N, R13W, NMPM
 SAN JUAN COUNTY, NEW MEXICO GROUND ELEVATION: 5945'

PLAT #2

LATITUDE: 36°35'57"
 LONGITUDE: 108°11'25"
 DATUM: NAD1927



| A-A' | | | | | | |
|-------|--|--|--|--|--|--|
| 5956' | | | | | | |
| 5946' | | | | | | |
| 5936' | | | | | | |

| B-B' | | | | | | |
|-------|--|--|--|--|--|--|
| 5956' | | | | | | |
| 5946' | | | | | | |
| 5936' | | | | | | |

| C-C' | | | | | | |
|-------|--|--|--|--|--|--|
| 5956' | | | | | | |
| 5946' | | | | | | |
| 5936' | | | | | | |

Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction

ENERGEN RESOURCES CORP.
OPERATIONS PLAN
Richardson Com #3S

I. Location: 820' FSL & 1980' FWL
Sec 2 T27N R13W
San Juan County, NM

Date: February 25, 2004

Field: Basin Fruitland Coal
Surface: Navajo Nation / NAPI
Minerals: Federal SF 077972

Elev: GL 5945'

II. Geology: Surface formation _ Nacimiento

| A. Formation Tops | Depths |
|-------------------|--------|
| Ojo Alamo | 157' |
| Kirtland | 257' |
| Fruitland | 1237' |
| Pictured Cliffs | 1442' |
| Total Depth | 1640' |

Estimated depths of anticipated water, oil, gas, and other mineral bearing formations which are expected to be encountered:

Water and gas - 1237' and 1442'.

B. Logging Program: Induction/GR and density logs at TD.

C. No over pressured zones are expected in this well. No H₂S zones will be penetrated in this well. Max. BHP = 600 psig.

III. Drilling

A. Contractor:

B. Mud Program:

The surface hole will be drilled with a fresh water mud.

The production hole will be drilled with a fresh water polymer mud. The weighting material will be drill solids or if conditions dictate, barite. The maximum mud weight expected is 8.5 ppg.

C. Minimum Blowout Control Specifications:

Double ram type or annular type 2000 psi working pressure BOP with a rotating head. See the attached Exhibits #1 and #2 for details on the BOP equipment. All ram type preventers and related equipment will be hydraulically tested at nipple-up and after any use under pressure to 1000 psi.

C. Cont.

The blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. The BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2000 psi.

IV. Materials

A. Casing Program:

| Hole Size | Depth | Casing Size | Wt. & Grade |
|-----------|-------|-------------|-------------|
| 8-3/4" | 120' | 7" | 20# K-55 |
| 6-1/4" | 1640' | 4-1/2" | 10.5# K-55 |

B. Float Equipment:

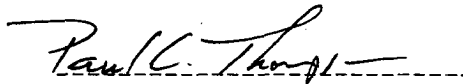
a) Surface Casing: None

b) Production Casing: 4-1/2" cement guide shoe and self fill insert float collar. Place float one joint above shoe. Five centralizers spaced every other joint above shoe and five turbolizers every fifth joint from the top of the well.

V. Cementing:

Surface casing: 7" - Use 50 sx (59 cu. ft.) of Cl "B" with ¼ #/sk celloflake and 2% CaCl₂ (Yield = 1.18 cu. ft./sk; slurry weight = 15.6 PPG). 100% excess to circulate cement to surface. WOC 12 hours. Pressure test surface casing to 600 psi for 30 min.

Production Casing: 4-1/2" - Before cementing circulate hole with at least 1-1/2 hole volumes of mud. Precede cement with 30 bbls of fresh water. **Lead** with 110 sx (227 cu.ft) of Cl "B" with 2% metasilicate and ¼ #/sk celloflake. (Yield = 2.06 cu.ft./sk; slurry weight = 12.5 PPG). **Tail** with 100 sx (118 cu.ft.) of Cl "B" with ¼ #/sk celloflake (Yield = 1.18 cu. ft./sk; slurry weight = 15.6 PPG). Total cement volume is 345 cu.ft. (100% excess to circulate cement to surface).


Paul C. Thompson, P.E.

Well Control Equipment Schematic for 2M Service

Attachment to Drilling Technical Program

Exhibit #1 Typical BOP setup

Location: San Juan Basin, New Mexico

Date: August 20, 2001

By: John Thompson (Walsh E&P)

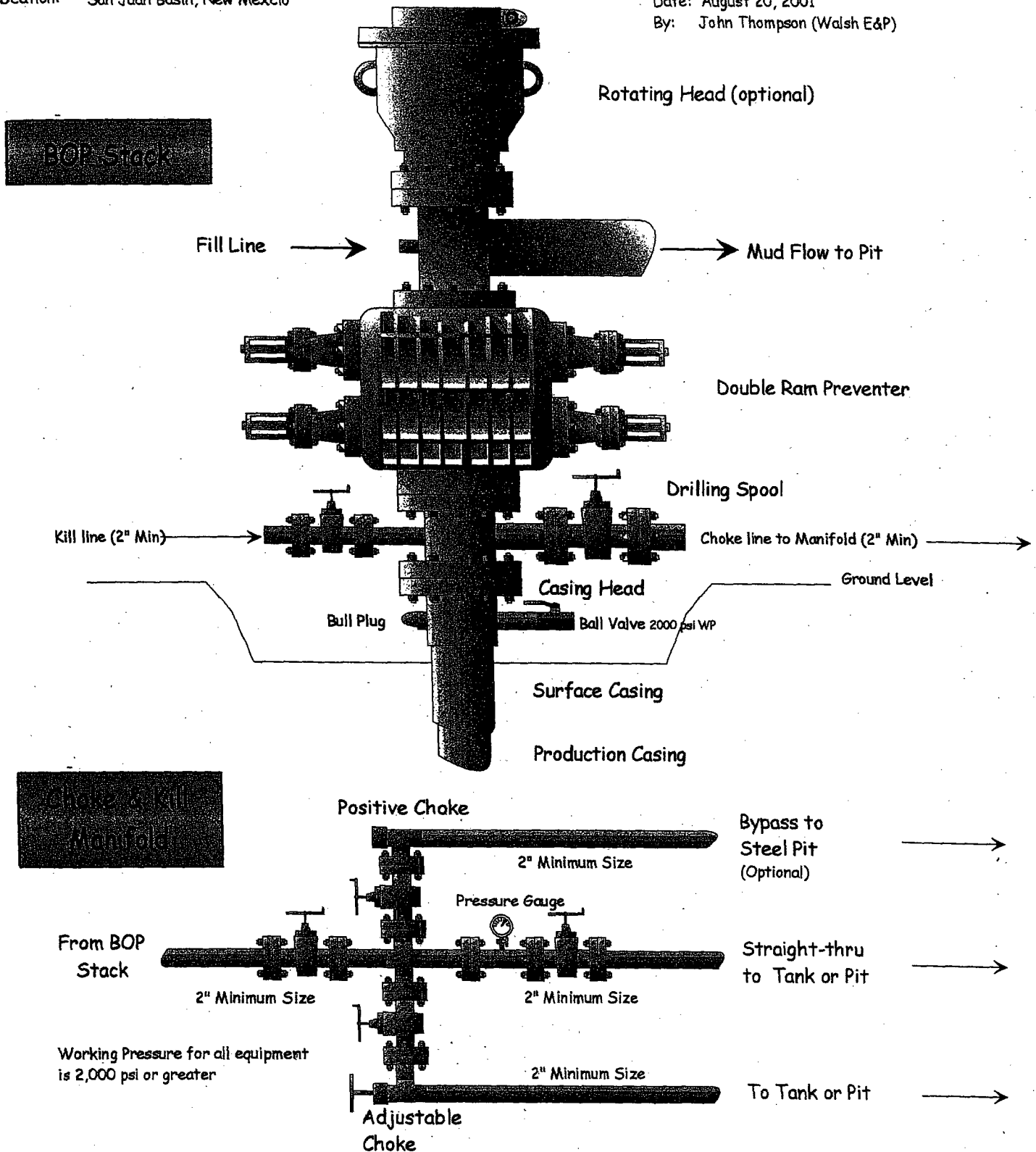


EXHIBIT #2

2

2

ANNULAR PREVENTER

