

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. Jicarilla Contract 94	
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 Jicarilla Apache	
2. Name of Operator Energex Resources Corporation		7. Unit or CA Agreement Name and No.	
3a. Address 2198 Bloomfield Hwy Farmington, NM 87401		8. Lease Name and Well No. Jicarilla 94 #4C	
3b. Phone No: (include area code) 505.325.6800		9. API Well No. 30-039-3064	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 1000' fnl, 1950' fel At proposed prod. zone		10. Field and Pool, or Exploratory Mesa Verde	
14. Distance in miles and direction from nearest town or post office* Approximatley 17 miles southeast from Gobernador, NM		11. Sec., T., R., M., or Blk. and Survey or Area (B) S23, T27N, R3W	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 1000'	16. No. of Acres in lease 2560	17. Spacing Unit dedicated to this well 320 E/2	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Approx 1200'	19. Proposed Depth 6353'	20. BLM/BIA Bond No. on file BIA BOND	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7081' GL	22. Approximate date work will start* 11/25/07	23. Estimated duration 25 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 1/15/07
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Title
Drilling Engineer

Approved by (Signature) 	Name (Printed/Typed) AFM	Date 5/3/07
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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. **Minimum Bore test pressure: 750#**

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)

RCVD MAY4'07
OIL CONS. DIV.
DIST. 3

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

5/9/07

NMOCD

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

DISTRICT II
811 South First, Artesia, N.M. 88210

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

2007 JAN 17 PM 2:31

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-30164		*Pool Code 72319		*Pool Name Blanca MESA VERDE	
*Property Code 219 37		*Property Name JICARILLA 94		*Well Number 4C	
*OGRID No. 162928		*Operator Name ENERGEN RESOURCES CORPORATION		*Elevation 7081'	

¹⁰ Surface Location

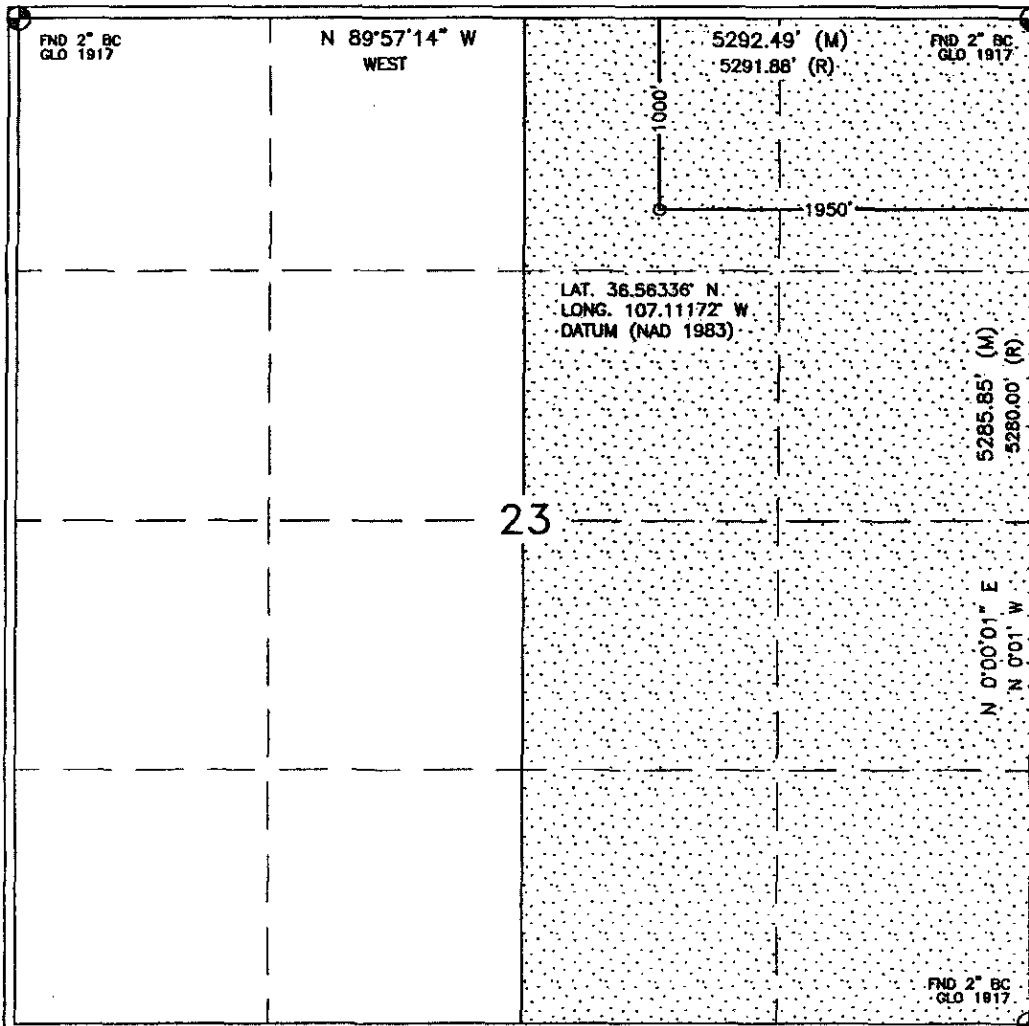
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	23	27N	3W		1000'	NORTH	1950'	EAST	RIO ARRIBA

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
									RIO ARRIBA
*Dedicated Acres 320.98 Acres - (E/2)		*Joint or Infill		*Consolidation Code		*Order No. RCVD MAY 4 '07 OIL CONS. DIV. DIST. 3			

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



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
1/15/06
Date

18 SURVEYOR CERTIFICATION

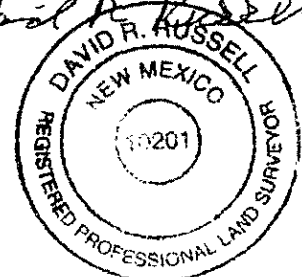
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

AUGUST 29, 2006

Date of Survey

Signature and Seal of Professional Surveyor:

David R. Russell



DAVID RUSSELL
Certificate Number 10201

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. 30-039-30164

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:
Jicarilla 94

8. Well Number
 # 4C

9. OGRID Number
162928

10. Pool name or Wildcat
Mesaverde

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 B : 1000 feet from the North line and 1950 feet from the East line
 Section 23 Township 27N Range 03W NMPM County Rio Arriba

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
7081' 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 >250'
 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:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <u>Build drilling pit</u> <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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

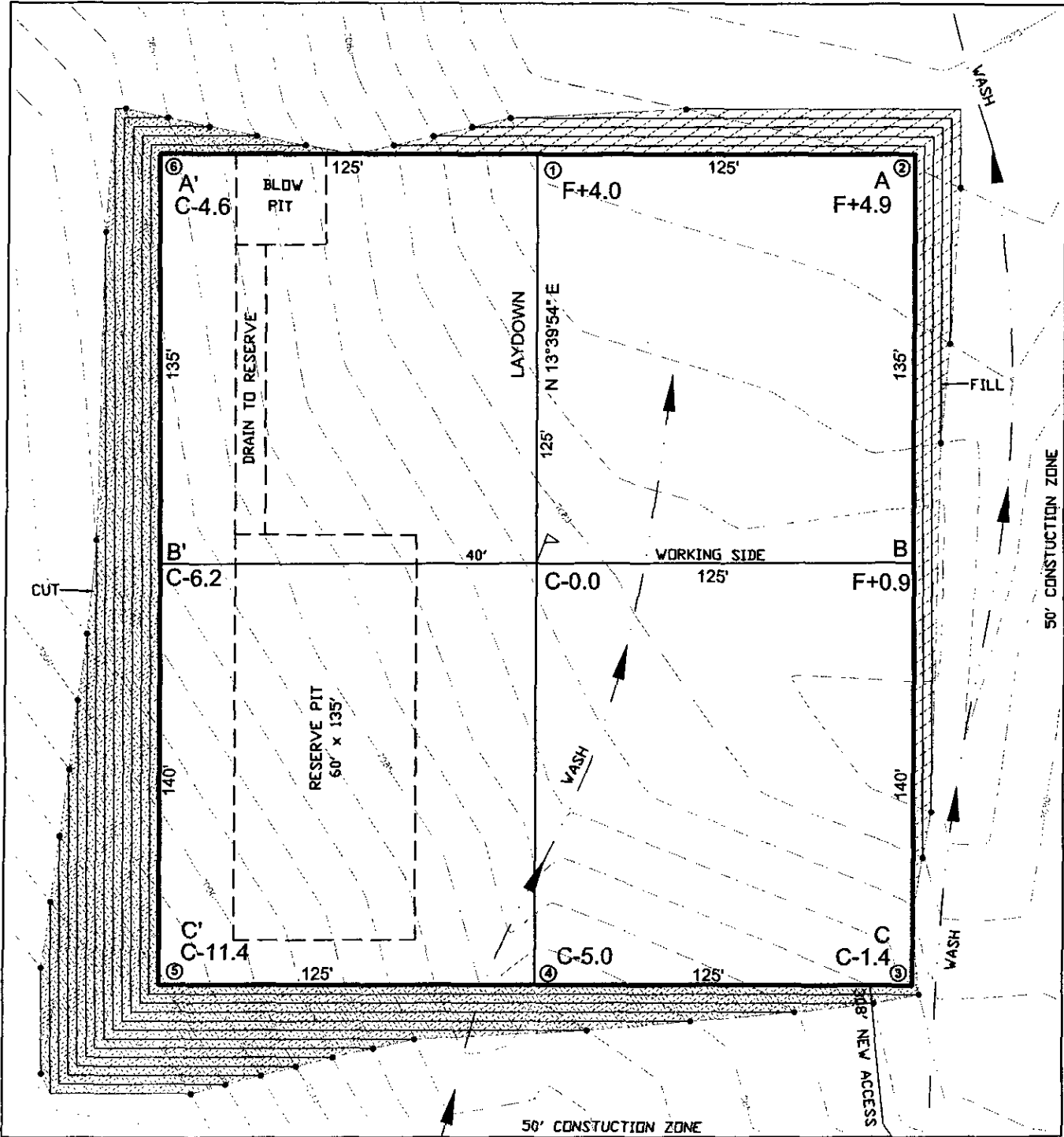
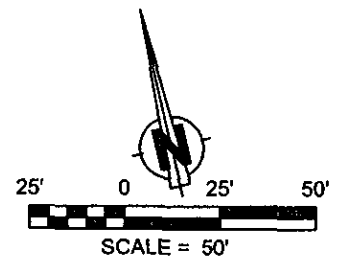
SIGNATURE Vicki Donaghey TITLE Regulatory Analyst DATE 01/15/07
 Type or print name Vicki Donaghey E-mail address: vdonaghe@energen.com Telephone No. 505.325.6800

For State Use Only
 APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE MAY 09 2007
 Conditions of Approval, if any:

LATITUDE: 36.56336°N
LONGITUDE: 107.11172°W
DATUM: NAD 83

ENERGEN RESOURCES CORPORATION

JICARILLA 94 #4C
1000' FNL & 1950' FEL
LOCATED IN THE NW/4 NE/4 OF
SECTION 23, T27N, R3W, N.M.P.M.,
RIO ARRIBA COUNTY, NEW MEXICO
GROUND ELEVATION: 7081', NAVD 88
FINISHED PAD ELEVATION: 7080.8', NAVD 88



308 LF OF NEW ACCESS
TO EXISTING DIRT ROAD

1 FOOT CONTOUR INTERVAL SHOWN
SCALE: 1" = 50'
JOB No.: ERG133
DATE: 09/08/06

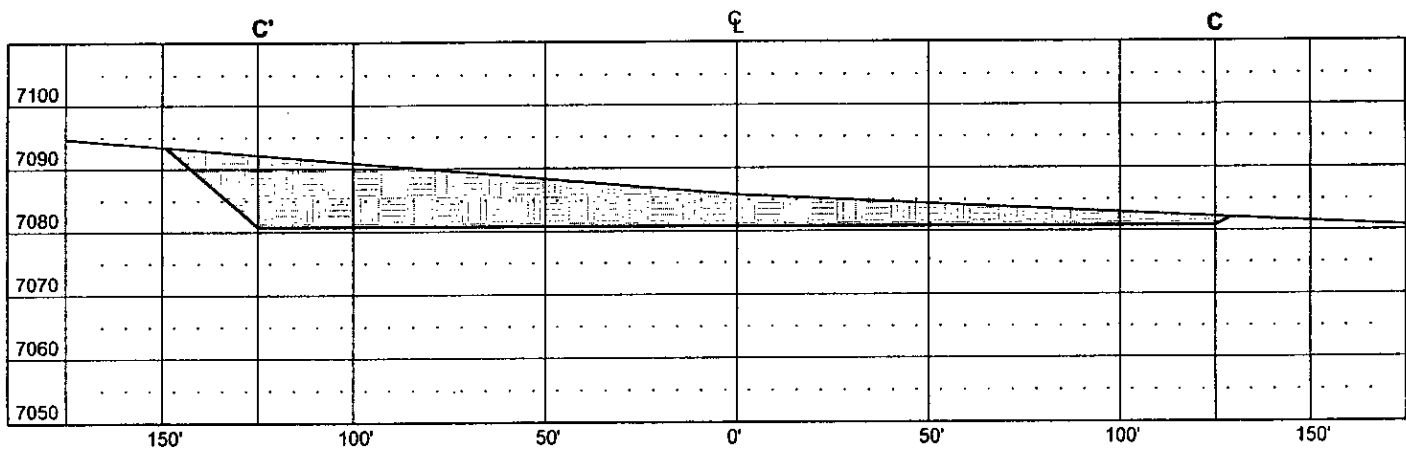
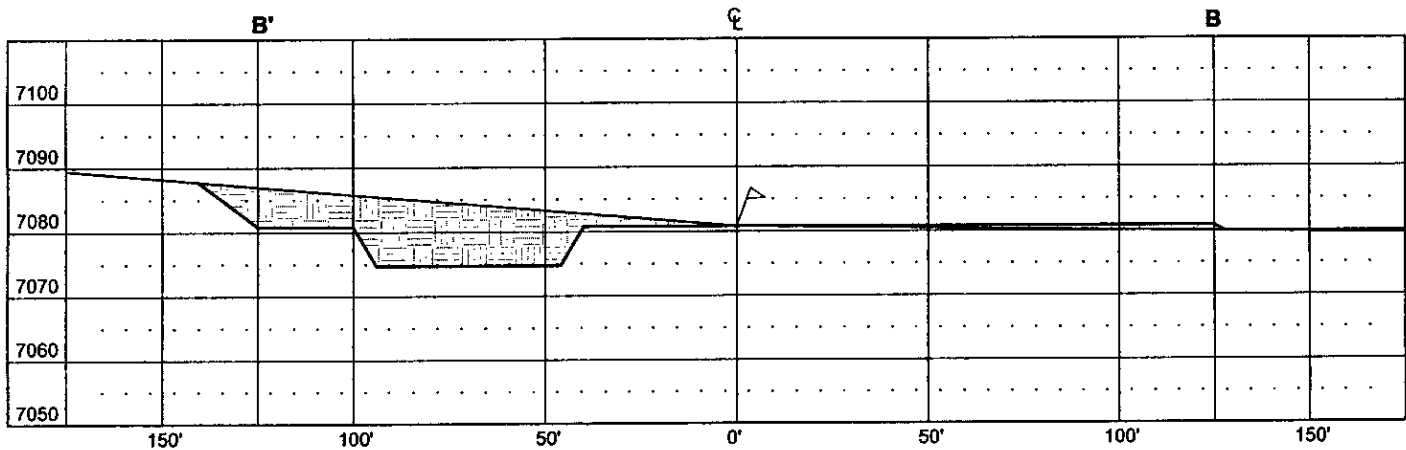
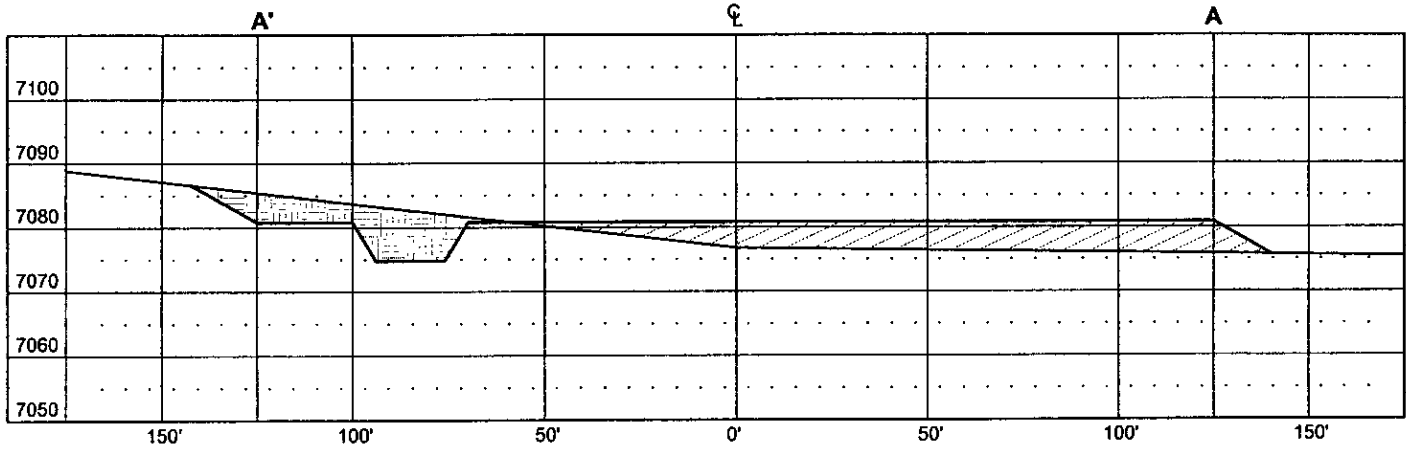




Russell Surveying
1409 W. Aztec Blvd. #5
Aztec, New Mexico 87410
(505) 334-8637


ENERGEN RESOURCES CORPORATION

JICARILLA 94 #4C
1000' FNL & 1950' FEL

LOCATED IN THE NW/4 NE/4 OF
SECTION 23, T27N, R3W, N.M.P.M.,
RIO ARRIBA COUNTY, NEW MEXICO
GROUND ELEVATION: 7081', NAVD 88
FINISHED PAD ELEVATION: 7080.8', NAVD 88



 CUT
 FILL

 **Russell Surveying**
1409 W. Aztec Blvd. #5
Aztec, New Mexico 87410
(505) 334-8637

VERT. SCALE: 1" = 30'
HORZ. SCALE: 1" = 50'
JOB No.: ERG133
DATE: 09/08/06

Operations Plan

January 15, 2007

Jicarilla 94 #4C

General Information

Location	1000' fnl, 1950' fel nwne S23, T27N, R03W Rio Arriba County, New Mexico
Elevations	7091' GL
Total Depth	6353' (MD)
Formation Objective	Blanco Mesa Verde

Formation Tops

San Jose	Surface	Lewis Shale	3968'
Nacimiento	2318'	Int Csg Point	4143'
Ojo Alamo Ss	3303'	Huerfanito Bentonite	4313'
Kirtland Sh	3448'	Cliff House	5548'
Fruitland Fm	3538'	Menefee	5613'
Top Coal	3558'	Point Lookout Ss.	5903'
Bottom Coal	3733'	Mancos Shale	6153'
Pictured Cliffs	3748'	Total Depth	6353'

Drilling

The 12 ¼" wellbore will be drilled with a fresh water mud system.

The 8 ¾" wellbore will be drilled with a low solids non-dispersed fresh water mud system. Weighting materials will be drill cuttings and/or Barite as needed. Mud density is expected to range from 8.3 ppg to 8.9 ppg. Air/mist from intermediate setting depth to TD with a hole size being 6 ¼".

Blowout Control Specifications:

A 2000 psi minimum double ram or annulus BOP stack (figure 1) will be used following nipple up of casing head. During air drilling operations, a Shafter Type 50 or equivalent rotating head will be installed on top of the stack. 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: From Surface to Intermediate setting depth - None
From Intermediate setting depth to TD - Temp / HRI / CNT, LDT / GR

Mud Logs: None

Coring: None

Surveys: Surface and/or every 500' to TD

Tubulars

Casing, Tubing, & Casing Equipment:

String	Interval	Wellbore	Casing	Csg Wt	Grade
Surface	0'-200'	12 ¼"	9 5/8"	32.3 ppf	H-40 ST&C
Intermediate	200'-4143'	8 ¾"	7"	23.0 ppf	J-55 LT&C
Production	3945'-6353'	6 ¼"	4 ½"	11.6 ppf	J-55 LT&C
Tubing	0'-6280'		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.

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

Production Liner: Depending on wellbore conditions, a cement nose guide shoe on bottom with self fill insert float collar on top of shoe joint and casing centralization with standard bow spring centralizers to optimize standoff. If multistage cementing is required, DV tool will be placed based on formation characteristics.

Wellhead

11" 3000 x 9 5/8" Casing Head, 11" 3000 x 7 1/16" 3000 Christmas Tree.

Cementing

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 600 psi for 30 min.

Intermediate Casing: Before cementing, circulate hole at least 1 ½ hole volumes of mud and reduce funnel viscosity to minimum to aide in hole cleanout. Depending on wellbore conditions, cement may consist of 570 sks 65/35 with 6.0 % Bentonite, 2.0 % CaCl₂, 10 #/sk Gilsonite, and ½ #/sk Flocele (12.3 ppg, 1.96 ft³/sk) and a tail of 140 sks of Standard (Class B) cement with 5.0 #/sk Gilsonite, and ¼ #/sk Flocele (15.2ppg, 1.24 ft³/sk). (1265 ft³ of slurry, 100 % excess to circulate to surface). WOC 12 hours. Pressure test casing to 1200 psi for 30 min.

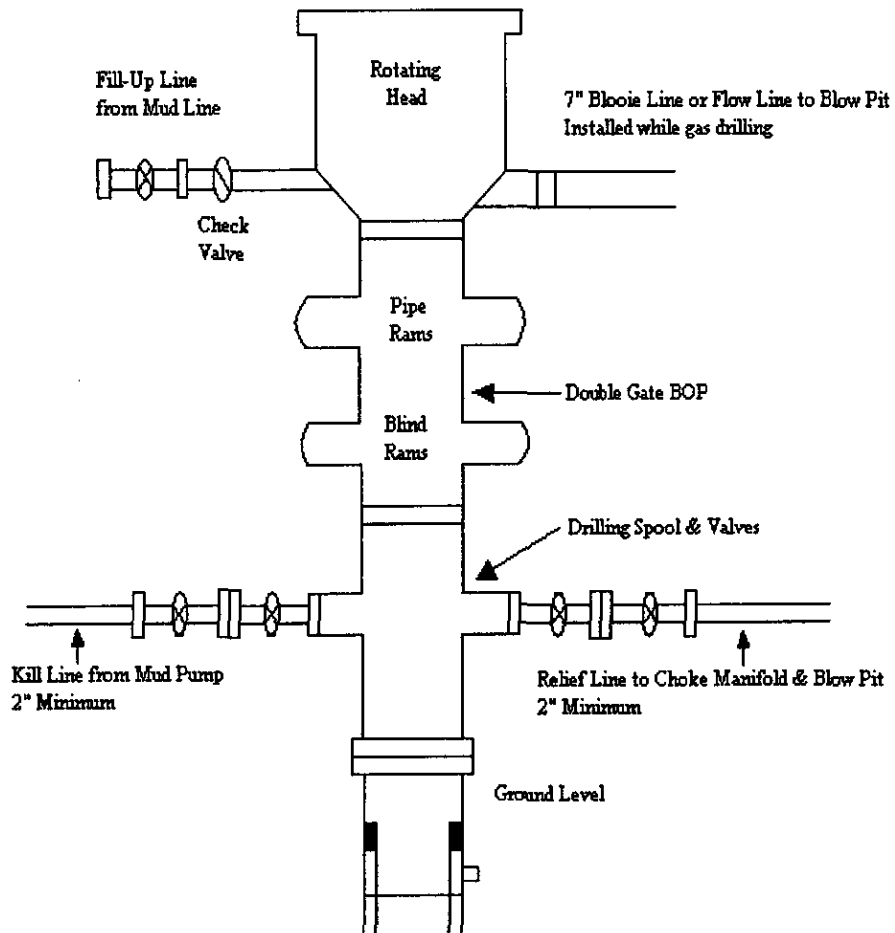
Production Liner: Depending on wellbore conditions, cement may consist of 380 sks 50/50 with 2.0 % Bentonite, 0.50% Halad-9, 0.10% CFR-3, 5 #/sk Gilsonite, and ¼ #/sk Flocele (13.5 ppg, 1.30 ft³/sk). (487.5 ft³ of slurry, 100 % excess open hole, no excess in liner lap to circulate off liner top). Use calipers on logs to figure cement volumes. *min 100' overlap*

Other Information

- 1) This well will be cased and the Blanco Mesa Verde 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) Mesa Verde pore pressure is anticipated to be 800 psi, the Pictured Cliffs is 600 psi and the Fruitland is 500 psi.
- 4) No abnormal temperatures or pressures are anticipated.
- 5) This gas is dedicated.

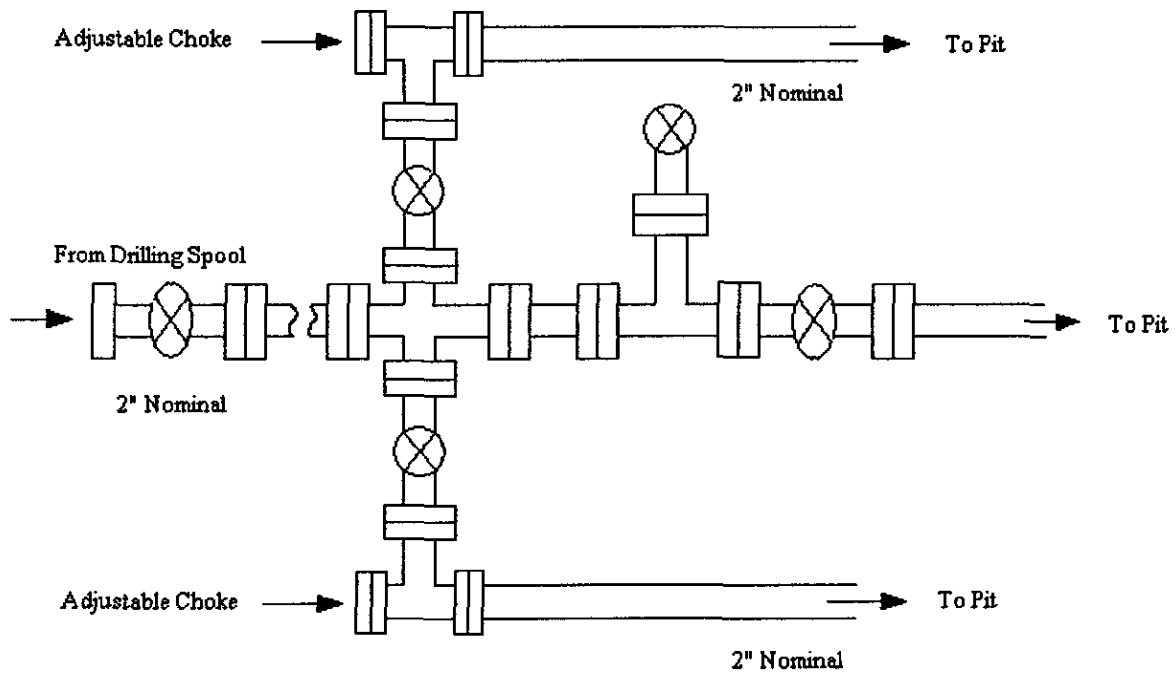
Energen Resources Corporation

Typical BOP Configuration for Gas Drilling



Energen Resources Corporation

Typical 2000 psi Choke Manifold Configuration



Choke manifold installed from surface to TD