

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		2007 MAR 12 AM 8:40 RECEIVED		5. Lease Serial No SF-078937
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 Energen Resources Corporation				7. Unit or CA Agreement Name and No.
3a. Address 2198 Bloomfield Hwy Farmington, NM 87401		3b. Phone No. (include area code) 505.325.6800		8. Lease Name and Well No. PL Davis #4E
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 1680' fnl, 1650' fwl At proposed prod. zone				9. API Well No. 30-045-34228
14. Distance in miles and direction from nearest town or post office* Approximately 18.1 miles south of Bloomfield				10. Field and Pool, or Exploratory Basin Dakota
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 1650'		16. No. of Acres in lease 2560		11. Sec., T., R., M., or Blk and Survey or Area (F) S35, T26N, R11W
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Approx 1000'		19. Proposed Depth 6268' 6782'		12. County or Parish 13. State San Juan NM
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6316' GL		22. Approximate date work will start* 4/05/07		17. Spacing Unit dedicated to this well 320 318.67N/2
				20. BLM/BIA Bond No. on file
				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 <i>Nathan Smith</i>	Name (Printed/Typed) Nathan Smith	Date 3/5/07
Title		

Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) AFM	Date 8/24/07
Title	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 page 2)

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

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

RCVD AUG 23 '07
OIL CONS. DIV.
DIST. 3

8-31-07
aw

NMOCD
[Signature]

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised October 12, 2005

DISTRICT II
1301 W. Grand Avenue, 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
1220 South St. Francis Dr.
Santa Fe, NM 87505

RCUD AUG 30 '07
 AMENDED REPORT

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT OIL CONS. DIV.

*API Number 30-045-34228		*Pool Code 71599	*Pool Name Basin DAKOTA	*Well Number DIST. 3
*Property Code 21901	*Property Name PL DAVIS			*Well Number 4E
*GRID No. 162928	*Operator Name ENERGEN RESOURCES CORPORATION			*Elevation 6316'

¹⁰ Surface Location

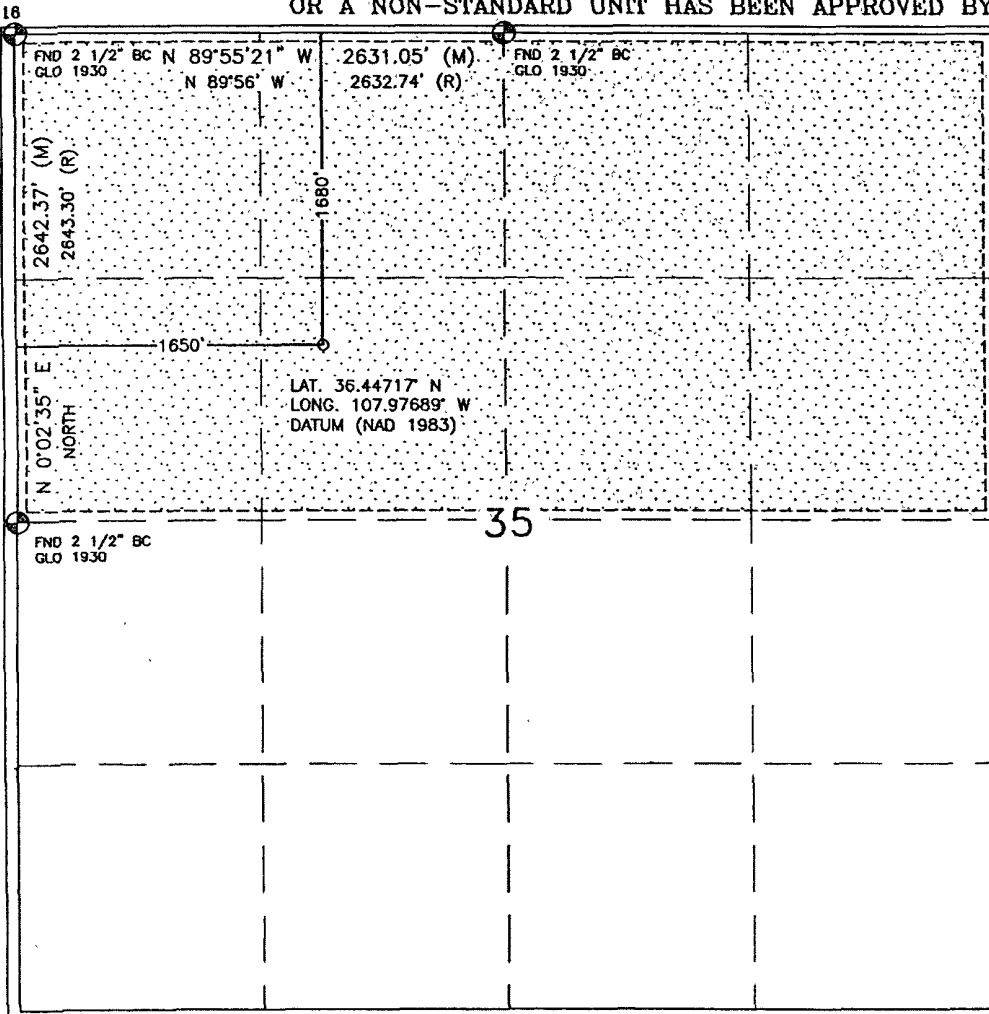
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	35	26N	11W		1680'	NORTH	1650'	WEST	SAN JUAN

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 318.67 Acres - (N/2)	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



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 or a compulsory pooling order heretofore entered by the division.

Vicki Donaghey 8-29-07
Signature Date
Vicki Donaghey
Printed Name

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.

DECEMBER 21, 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.
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: PL Davis
8. Well Number #4E
9. OGRID Number 162928
10. Pool name or Wildcat Basin Dakota

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 Hwy Farmington, NM 87401

4. Well Location
 Unit Letter F: 1680 feet from the North line and 1650 feet from the West line
 Section 35 Township 26N Range 11W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6316' 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:

PERFORM REMEDIAL WORK PLUG AND ABANDON

TEMPORARILY ABANDON CHANGE PLANS

PULL OR ALTER CASING MULTIPLE COMPLETION

OTHER: To build a drilling reserve 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 in accordance with 'OCD Pit and Below Grade Tank Guidelines' issued on November 1, 2004 and also plans to submit a C-144 for the closure of such 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 3/5/2007

Type or print name Nathan Smith

E-mail address:

Telephone No. 505.326.6800

For State Use Only

APPROVED BY [Signature]

Deputy Oil & Gas Inspector,
 District #3

DATE AUG 31 2007

Conditions of Approval, if any:

Operations Plan

January 15, 2007

PL Davis #4E

General Information

Location	1680' fnl, 1650' fwl senw S35, T26N, R11W San Juan County, New Mexico
Elevations	6316' GL
Total Depth	6274' (MD)
Formation Objective	Basin Dakota

Formation Tops

Nacimiento	Surface	Menefee Fm	3083'
Ojo Alamo Ss	513'	Point Lookout Ss	3958'
Kirtland Sh	598'	Mancos Shale	4248'
Fruitland Fm	1213'	Graneros Shale	5948'
Top Coal	1268'	Dakota "Twowells" Ss	6013'
Bottom Coal	1483'	Dakota "Paguete" Ss	6058'
Pictured Cliffs Ss	1498'	Dakota "Cubero" Ss	6103'
Lewis Shale	1673'	Dakota "Oak Canyon" Ss	6203'
Cliffhouse Ss	3063'	Dakota "Encinal Cyn" Ss	6218'
		Total Depth	6268'

Drilling

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

The 6 ¼" wellbore will be drilled with a low solids non-dispersed fresh water mud system. Weighting materials will be drill cuttings. 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: From Surface to TD – Temp / HRI / CNT, LDT / GR

Surveys: Surface and/or every 500' to TD

Tubulars

Casing, Tubing, & Casing Equipment:

String	Interval	Wellbore	Casing	Csg Wt	Grade
Surface	0'- 200 320'	12 ¼"	9 5/8"	32.3 ppf	H-40 ST&C
Production	0'-6268'	7 7/8"	4 ½"	11.6 ppf	J-55 LT&C
Tubing	0'-6200'		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.

Production 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 standard bow spring centralizers to optimize standoff. If multistage cementing is required, DV tool(s) will be placed based on formation characteristics. Put first stage collar @ 4450' and second stage collar @ 1875'.

Cementing

Surface Casing: 125 sks Type V cement with 2.0 % CaCl₂ and ¼ #/sk Flocele (15.4 ppg, 1.23 ft³/sk 154 ft³ of slurry, 100% excess to circulate to surface). WOC 12 hours. Pressure test surface casing to 750 psi for 30 min.

Production Casing: Before cementing, circulate hole at least 1 ½ hole volumes of mud and reduce funnel viscosity to minimum to aide in hole cleanout.

First Stage: 645 sks 50/50 Type V with 0.60 % Halad-9, 0.10 % CFR-3, 5 #/sk Gilsonite, and ¼ #/sk Flocele (13.5 ppg, 1.30 ft³/sk). Circulate 4 hours at time of plug down.

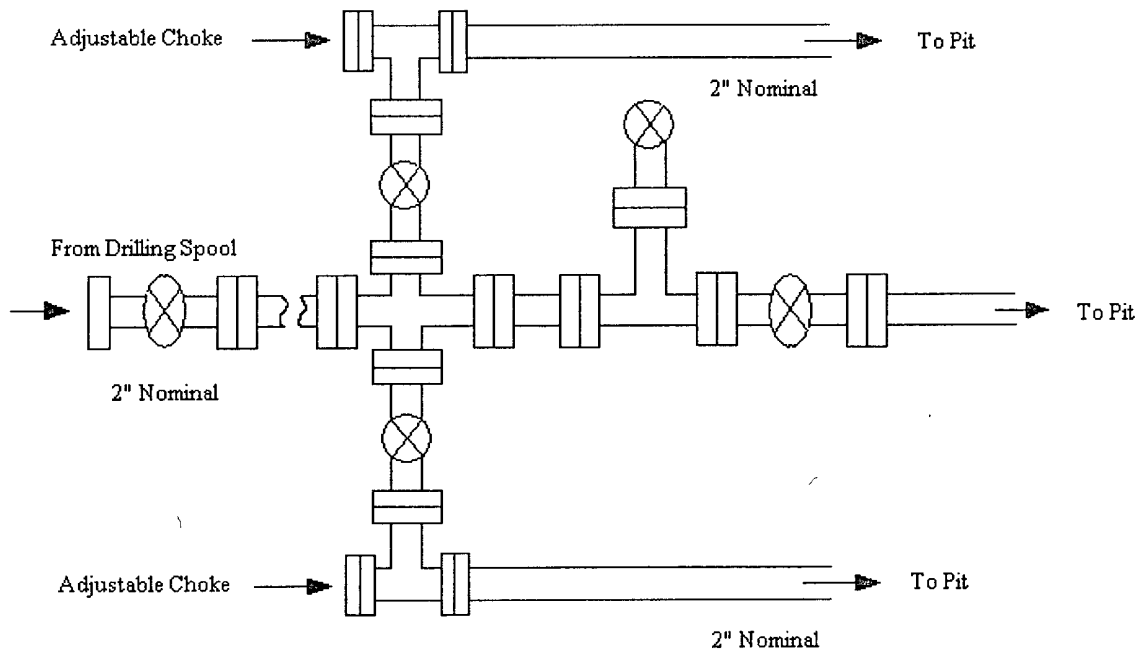
Second Stage: 280 sks 65/35 Type V with 6.0 % Bentonite, 2.0 % CaCl₂, 10 #/sk Gilsonite, and ½ #/sk flocele lead (12.3 ppg, 1.93 ft³/sk) followed by 480 sks 50/50 Type V with 0.60 % Halad-9, 0.10 % CFR-3, 1.0 % CaCl₂, 5 #/sk Gilsonite, and ¼ #/sk Flocele tail (13.5 ppg, 1.30 ft³/sk).

Third Stage: 125 sks 65/35 Type V with 6.0 % Bentonite, 2.0 % CaCl₂, 10 #/sk Gilsonite, and ½ #/sk flocele lead (12.3 ppg, 1.93 ft³/sk) followed by 50 sks Type V with 1.0 % CaCl₂ (15.4 ppg, 1.18 ft³/sk).

Other Information

- 1) This well will be cased and the Basin Dakota fracture stimulated. Anticipated BHP is 1400 psi
- 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) No abnormal temperatures or pressures are anticipated. Anticipated fracture gradient is 0.70 psi/ft.
- 4) This gas is dedicated.

Energen Resources Corporation
Typical 2000 psi Choke Manifold Configuration

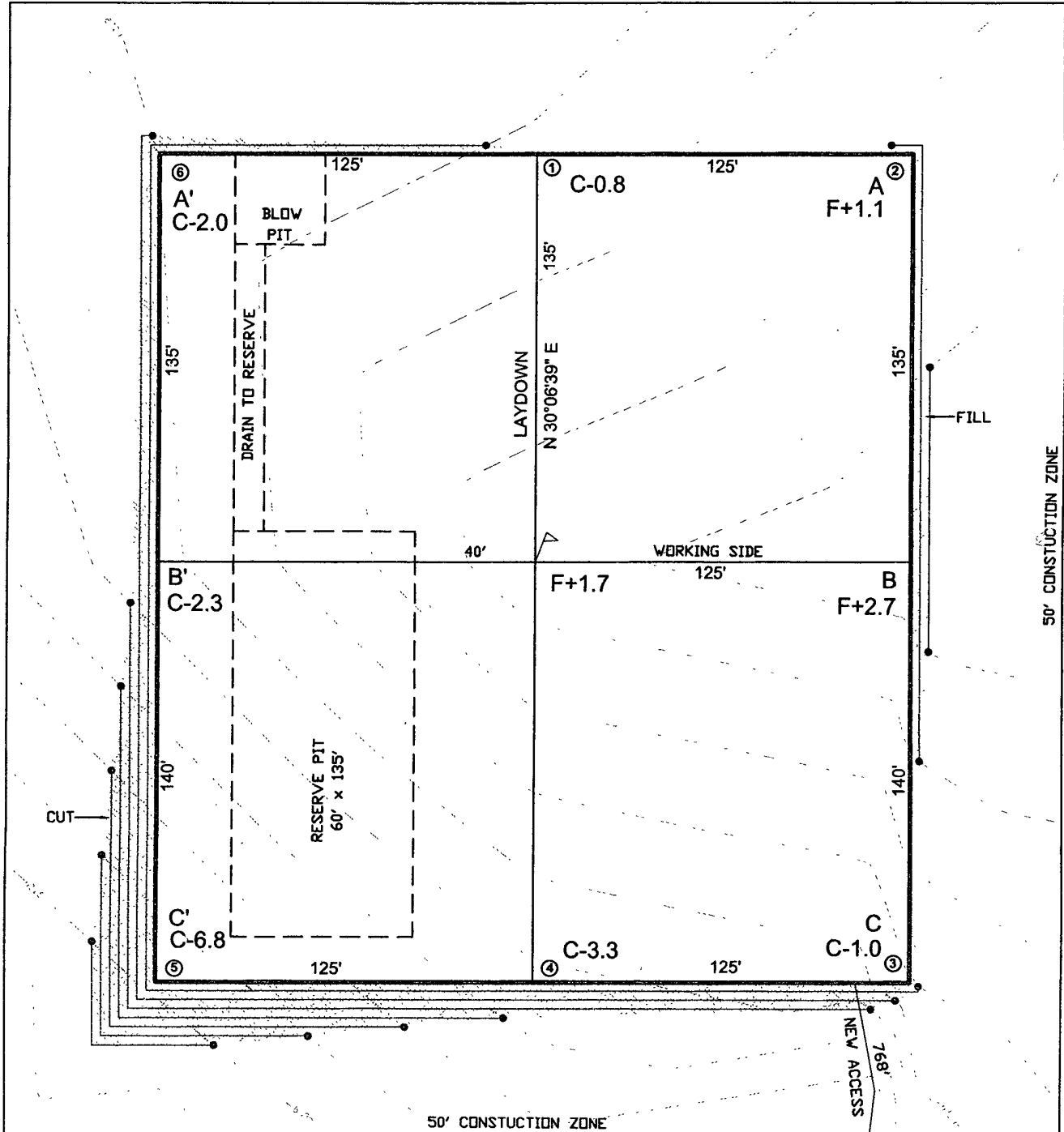
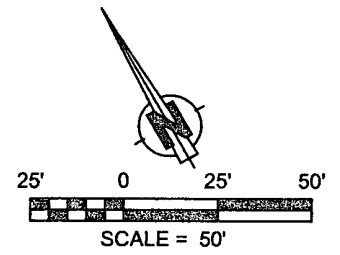


Choke manifold installed from surface to TD

LATITUDE: 36.44717°N
LONGITUDE: 107.97689°W
DATUM: NAD 83

ENERGEN RESOURCES CORPORATION

PL DAVIS #4E
1680' FNL & 1650' FWL
LOCATED IN THE SE/4 NW/4 OF
SECTION 35, T26N, R11W, N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO
GROUND ELEVATION: 6316', NAVD 88
FINISHED PAD ELEVATION: 6318.0', NAVD 88



768 LF OF NEW ACCESS
TO EXISTING 2 TRACK ROAD
3543 LF ALONG TWO TRACK ROAD

1 FOOT CONTOUR INTERVAL SHOWN
SCALE: 1" = 50'
JOB No.: ERG155
DATE: 01/02/07

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

ENERGEN RESOURCES CORPORATION

PL DAVIS #4E

1680' FNL & 1650' FWL

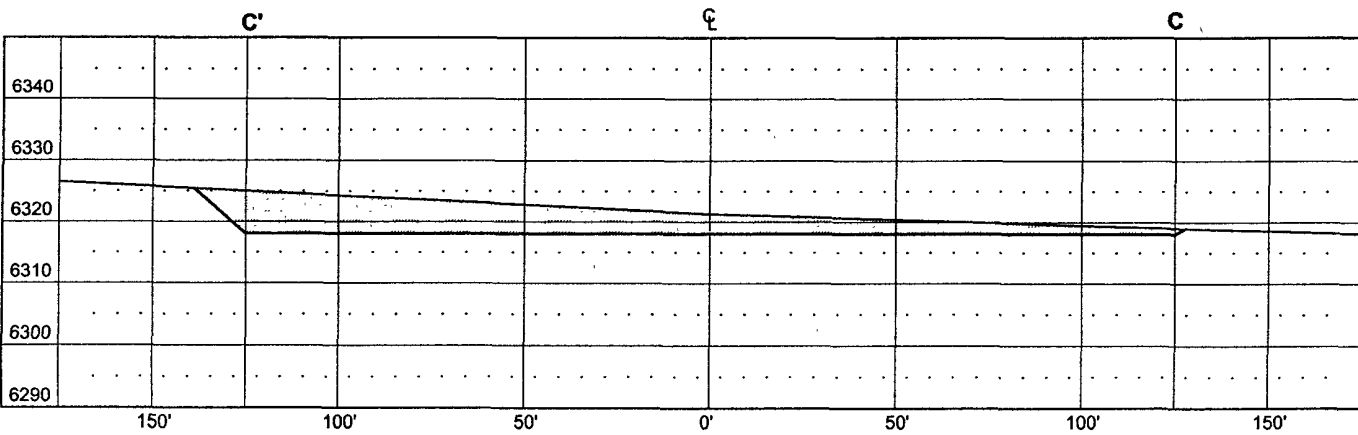
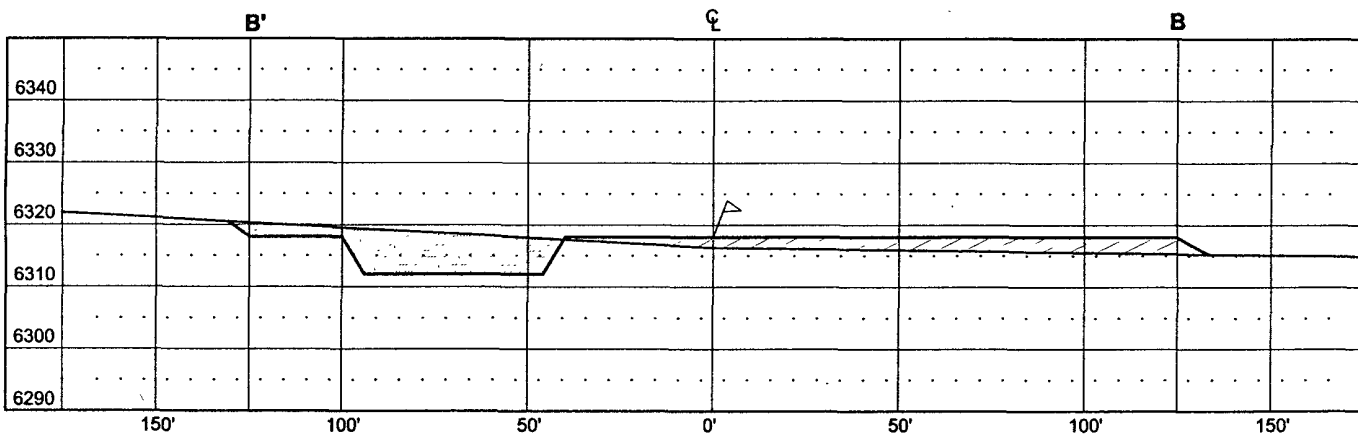
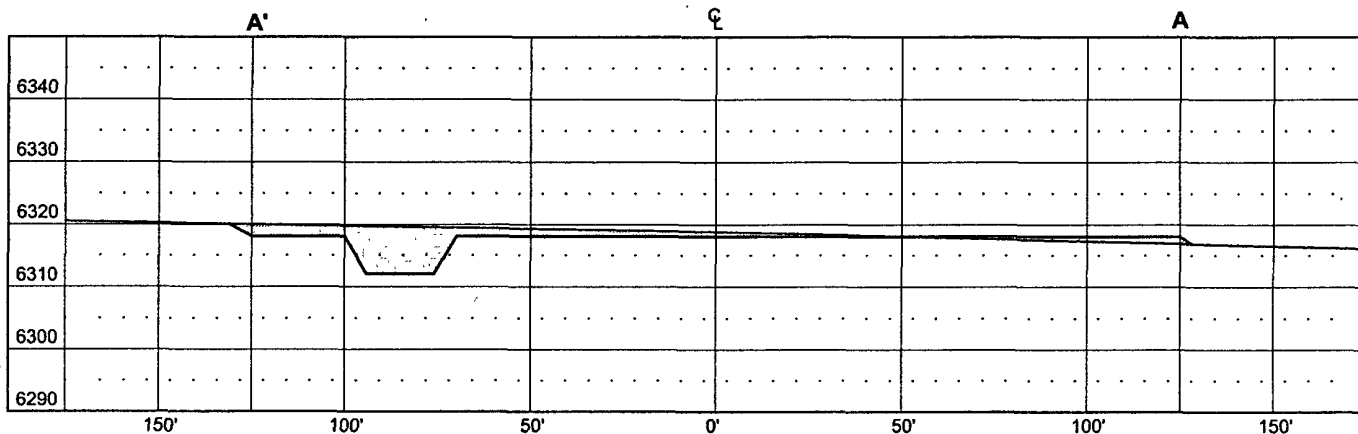
LOCATED IN THE SE/4 NW/4 OF

SECTION 35, T26N, R11W, N.M.P.M.,

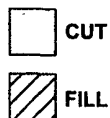
SAN JUAN COUNTY, NEW MEXICO

GROUND ELEVATION: 6316', NAVD 88

FINISHED PAD ELEVATION: 6318.0', NAVD 88



VERT. SCALE: 1" = 30'
HORZ. SCALE: 1" = 50'
JOB No.: ERG155
DATE: 01/02/07



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

Energen Resources Corporation

Typical BOP Configuration for Gas Drilling

2M system

