

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

MAY 09 2008

APPLICATION FOR PERMIT TO DRILL OR REENTER

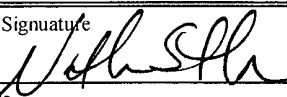
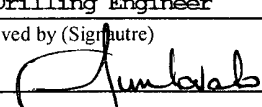
Bureau of Land Management
Farmington Field Office

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No 133670806
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 Energizer Resources Corporation		7. Unit or CA Agreement Name and No
3a. Address 2010 Afton Place, Farmington, New Mexico 87401	3b. Phone No. (include area code) (505) 325-6800	8. Lease Name and Well No. Atlantic A #211R
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 700 FNL, 1200 FEL At proposed prod zone		9. API Well No 30-045-34307
14. Distance in miles and direction from nearest town or post office* Approximately 5.5 mile Northeast of Aztec		10. Field and Pool, or Exploratory Basin Fruitland Coal
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drg unit line, if any) 700'	16. No. of Acres in lease 2394.72	11. Sec., T., R., M., or Blk. and Survey or Area A - Sec. 29, T31N, R10W - NMPM
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 500'	19. Proposed Depth 2926'	12. County or Parish San Juan
21. Elevations (Show whether DF, KDB, RT, GL, etc) 6034' GL	22. Approximate date work will start* June 2008	13. State NM
		17. Spacing Unit dedicated to this well 328.94ⁱⁿ 1/2
		20. BLM/BIA Bond No on file NM 2702
		23. Estimated duration 15 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 4/30/08
Title Drilling Engineer		
Approved by (Signature) 	Name (Printed/Typed) Jumbalab	Date 7/10/08
Title Sup AFM Minerals	Office	

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 operations thereon. Approval, if any, are attached.

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 fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(page 2)

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 LANDS

NOTIFY AZTEC 24 HRS. PRIOR TO CASING & CEMENT



H₂S POTENTIAL EXIST

HOLD OVER FOR Change in status to Atlantic A #211

JUL 17 2008

ALL 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

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOCD FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOCD PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

NM NM 0606
NM 2702 Bond
2394.72 Acres

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1080 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-34767		² Pool Code 71629	³ Pool Name FC
⁴ Property Code 21161	⁵ Property Name ATLANTIC A		⁶ Well Number # 211R
⁷ OGRID No. 162928	⁸ Operator Name ENERGEN RESOURCES CORPORATION		⁹ Elevation 6034'

¹⁰ Surface Location

11L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	29	31N	10W	/	700	NORTH	1200	EAST	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 328.94 CM N/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.

S89°46'00"W 2715.90' (R)
S89°44'04"W 2715.43' (M)

16	FD. 3 1/4" BRASS CAP BLM 1968	700'	1200'	FD. 3 1/4" BRASS CAP BLM 1968	2630.76' (R) 2630.77' (M) N00°12'00"W N00°13'17"W	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 of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <i>Nathan Smith</i> Date: 4/29/08 Printed Name: Nathan Smith
	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. 3/20/08 Date of Survey: 3/20/08 Signature and Seal of Professional Surveyor: <i>W. Bernal</i> NM #11952 Certificate Number: 11952					

Operations Plan

April 29, 2008

Atlantic A #211R

General Information

Location	700 fnl, 1200 fel nene S29, T31N, R10W San Juan County, New Mexico
Elevations	6034' GL
Total Depth	2926' (MD)
Formation Objective	Basin Fruitland Coal

Formation Tops

Nacimiento	Surface
Ojo Alamo Ss	1171'
Kirtland Sh	1256'
Fruitland Fm	2341'
Top Coal	2501'
Bottom Coal	2726'
Pictured Cliffs Ss	2731'
Total Depth	2926'

Drilling

The 12 1/4" wellbore will be drilled with a fresh water mud system.

The 8 3/4" 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 3000 psi minimum double ram or annulus BOP stack 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. Test choke manifold to 750 psi.

Logging Program:

Open hole logs: Induction/Gamma Ray and Density Logs

Coring: None

Surveys: 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 ppf	J-55 ST&C
Production	300'-2926'	8 3/4"	5 1/2"	15.5 ppf	J-55 LT&C
Tubing	0'-2850'		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 float guide shoe on bottom of first joint and self fill insert float collar on top of first 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

5/8" 2000 x 5 1/2" casing head. 5 1/2" 3000 x 2" tubing head.

Cementing

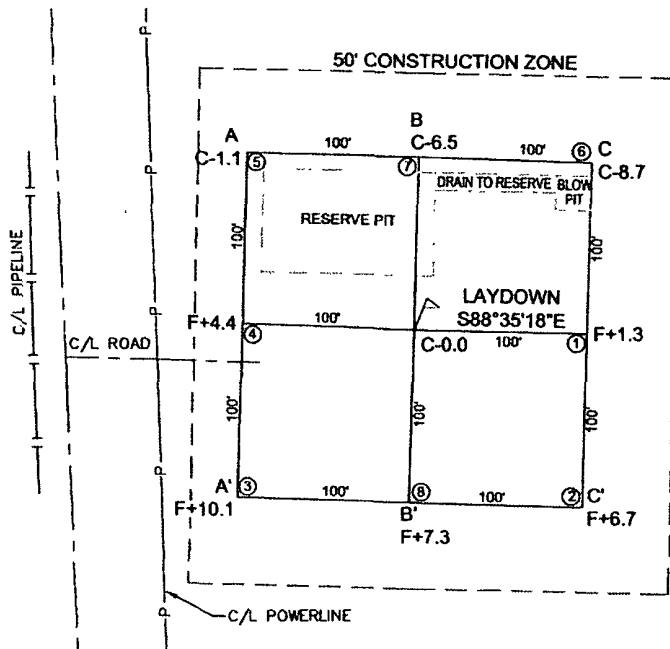
Surface Casing: 225 sks Type V with 2.0 % CaCl₂ and 1/4 #/sk Flocele (15.6 ppg, 1.18 ft³/sk 266 ft³). WOC 12 hours. Test BOP to 250 psi for 15 min and 1200 psi for 15 min. Pressure test surface casing to 750 psi for 30 min. *Circ cnt to surface*

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 435 sks 65/35 with 6.0 % Bentonite, 2.0 % CaCl₂, 10 #/sk Gilsonite, and 1/2 #/sk Flocele (12.3 ppg, 1.93 ft³/sk) and a tail of 175 sks of Class G cement with 5.0 #/sk Gilsonite, and 1/4 #/sk Flocele (15.4ppg, 1.18 ft³/sk). (904.5 ft³ of slurry). Cement volumes calculated from 100% excess above true hole volume and casing shoe fill. Cement volumes are subject to change with logged caliper volumes and will be 30 % excess above caliper volumes. *Circ cnt to surface*

Pump 20 bbls gelled water and 10 bbls fresh water spacer ahead of lead cement.

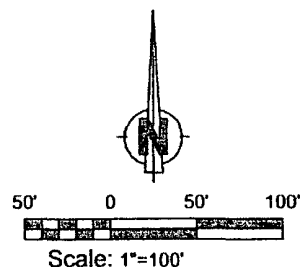
Other Information

- 1) This well will be cased and the Basin Fruitland Coal fracture stimulated. Anticipated BHP is 250 psi.
- 2) If lost circulation is encountered, sufficient LCM will be added to the mud system to maintain well control.
- 3) No abnormal temperatures or pressures are anticipated.
- 4) This gas is dedicated.

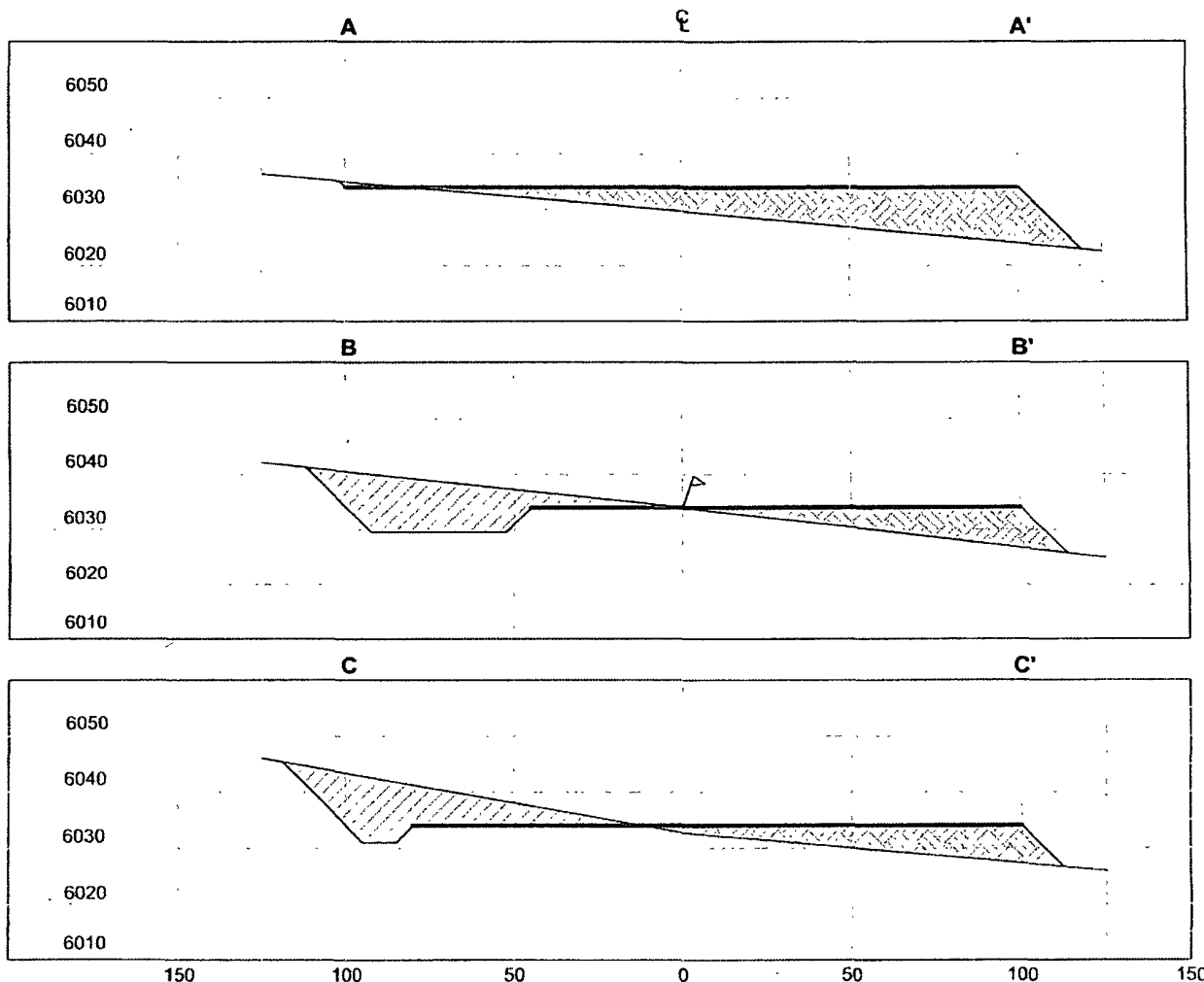


ENERGEN RESOURCES CORPORATION

ATLANTIC A #211R
 700' FNL & 1200' FEL
 LOCATED IN THE NE/4 NE/4 OF SECTION 29,
 T31N, R10W, N.M.P.M.,
 SAN JUAN COUNTY, NEW MEXICO
 ELEVATION: 6034', NAVD 88



LATITUDE: 36.87495 N
 LONGITUDE: 107.90035 W
 DATUM: NAD 83



HORIZ. SCALE: 1"=50'
 VERT. SCALE: 1"=30'

Red Skies Surveying & Mapping, Inc.
 A Native American Owned Company
 101 Fauvor Lane, Bloomfield, New Mexico 87413
 Phone/Fax: (505) 632-8908 Call No: (505) 793-5325



ENTERPRISE
FIELD
SERVICES LLC

KUTZ GATHERING SYSTEM

DWG. NO. KLB067-009-01

LINE ENERGEN RESOURCES CORP. - ATLANTIC A NO. 211R

WO NO.

RW NO. 0870040

FROM 0+00 = 7+30.03 ON KUTZ LATERAL 3B-67

DATE 2/06/08

(67B733.0-1, R/W NO. 7170133)

SCALE 1" = 1000'

SURVEYED 1/25/08

COUNTY SAN JUAN

STATE NEW MEXICO

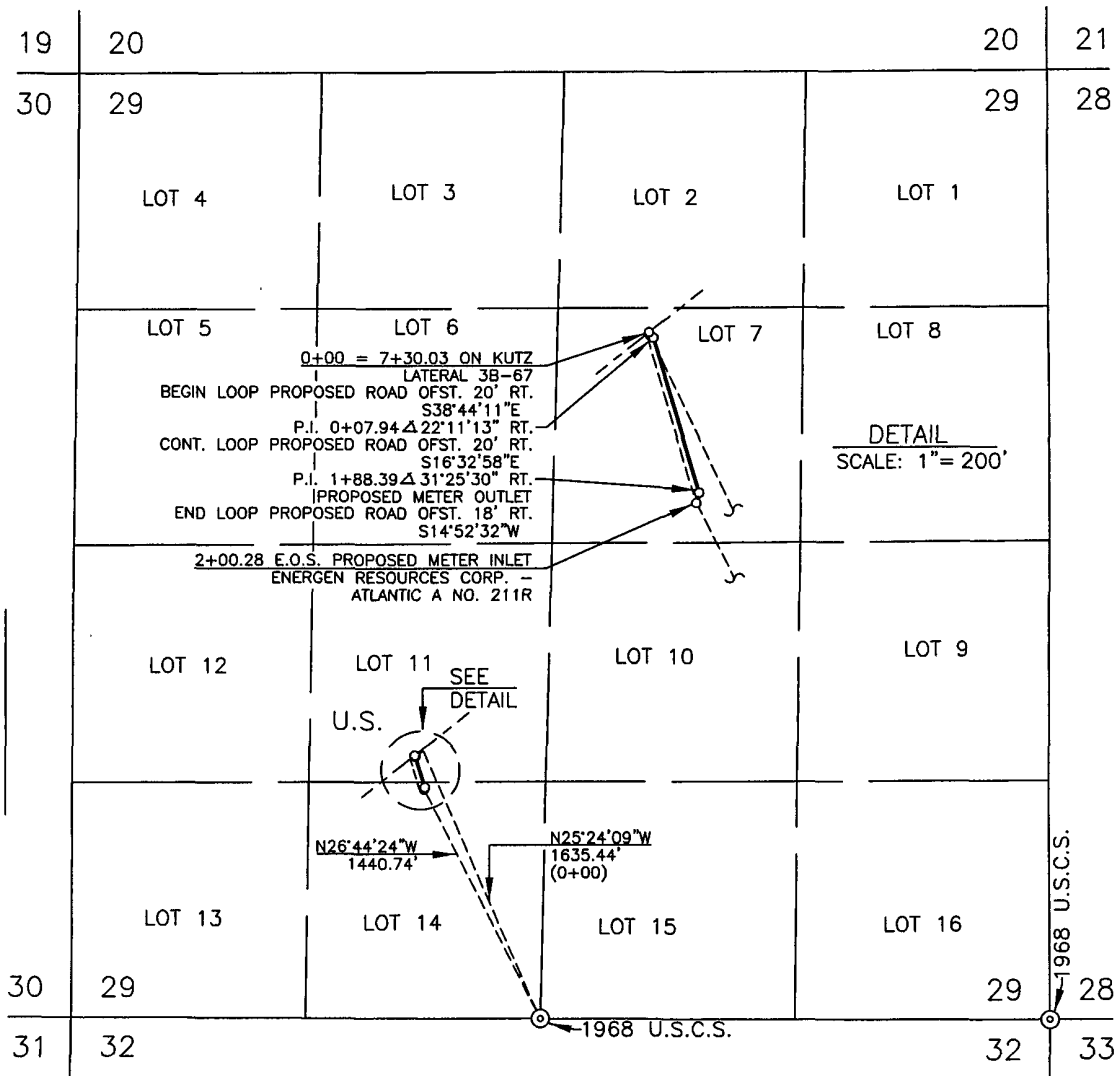
SECTION 29

TOWNSHIP 31-N

RANGE 10-W, N.M.P.M.



T-31-N, R-10-W, N.M.P.M.
BASIS OF BEARING: GPS OBSERVATIONS



DWN. BY MR

CONSTR. COMMENCED

APPL. DWG.

SLACK CHAIN

CKD. BY MD

CONSTR. COMPLETED

DATE

PIPE SIZE 4.50" O.D.

PRINT RECORD

PIPE DATA

METER STA. NO.

FC

7 SJ DISTRIB 2/07/08

NOTE: WELL FLAG.
C/L SURVEY LOOPS PROPOSED ROAD.
LOCATION NOT BUILT.

SUBDIVISION

OWNER

LESSEE

METER(S)

RODS

ACRE(S)

ALL SEC. 29

UNITED STATES

KNICKERBOCKER RANCH, LLC.

12.138

0.184

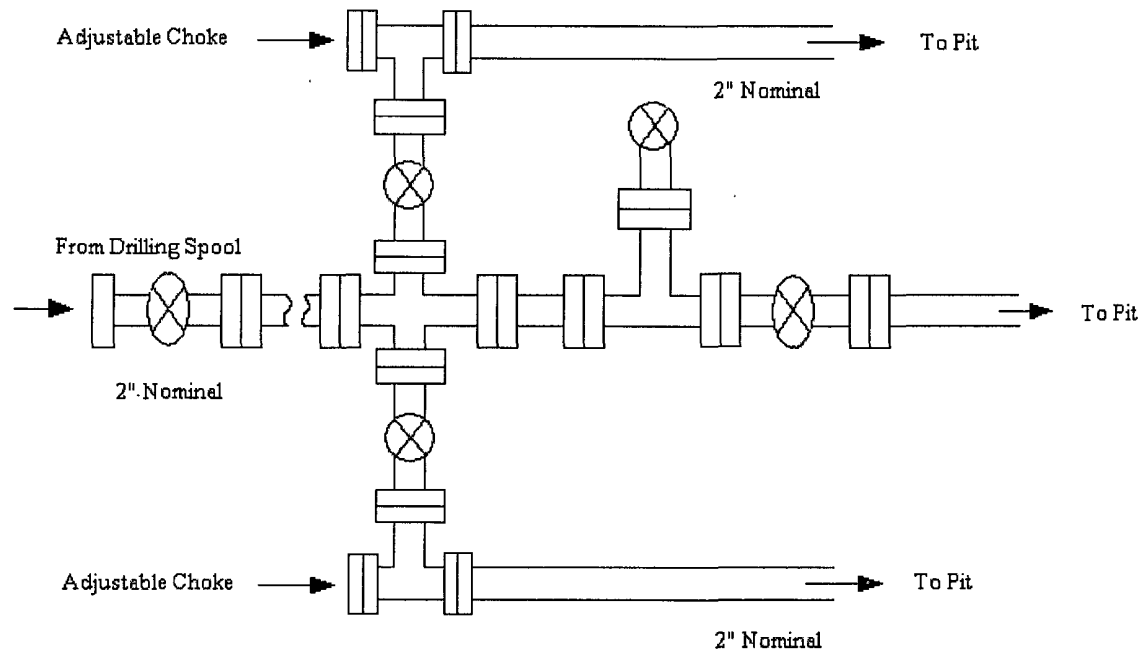
FM24 (Rev. 1/99)

KLB067-009-01

OWNERSHIP

REV.

Energen Resources Corporation
Typical 2000 psi Choke Manifold Configuration



Choke manifold installed from surface to TD

Energen Resources Corporation

Typical BOP Configuration for Gas Drilling

