

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2

RECEIVED

SEP 28 2010

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
ENERGEN RESOURCES CORPORATION

3a. Address
2198 Bloomfield Highway, Farmington, NM 87401

3b. Phone No. (include area code)
Farmington Field Office
Bureau of Land Management
(505) 325-6800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1850' FSL, 1850' FWL, Sec. ~~32A~~, T24N, R3W, N.M.P.M.

5. Lease Serial No.

NMNM 86430

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Arco Little Fed 32 3

9. API Well No.

30-039-21715

10. Field and Pool, or Exploratory Area
West Lindrith Gallup-Dakota

11. County or Parish, State

Rio Arriba NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Energen Resources plans to Plug and Abandon the Arco Little Federal 32 #3 according to the attached procedure.

**Notify NMOCD 24 hrs
prior to beginning
operations**

RCVD OCT 5 '10

OIL CONS. DIV.

DIST. 3

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Martin Cabrera

Title District Engineer

Signature

Date 09/15/10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

SEP 30 2010

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes 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.

NMOCD

PLUG AND ABANDONMENT PROCEDURE

September 15, 2010

Arco Little Federal 32 – #3

W. Lindrith Gal / Dk

1850' FSL & 1850' FWL, Section 32, T24N, R3W, Rio Arriba County, New Mexico

API 30-039-21715 / Lat: _____ Long: _____

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.

1. This project requires the Operator to obtain an approved NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.
2. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.
3. Rods: Yes X , No , Unknown ;
Tubing: Yes X , No , Unknown , Size 2.375" , Length 7577' ;
Packer: Yes , No , Unknown , Type .
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.

NOTE: BLM requires a CBL log to be run on all wells where the cement did not circulate to surface or where a T.S. or CBL log was not previously run. This procedure is prepared with the understanding that it may be modified based on the TOC from the CBL.

4. **Plug #1 (Dakota / Gallup perforations and tops, 6235' – 6118')**: RIH and set 4.5" cement retainer at 6235'. Pressure test tubing to 1000 PSI. Load casing with water and circulate well clean. Pressure test casing. If casing does not test, spot or tag subsequent plugs as appropriate. Mix 13 sxs Class B cement and spot a balanced plug above CR to cover the Dakota / Gallup intervals. TOH.
5. **Plug #2 (Mesaverde top, 4725' – 4625')**: Perforate 3 squeeze holes at 4675'. If casing tested then establish rate into squeeze holes. RIH and set CR at 4625'. Establish rate into squeeze holes. Mix and pump 51 sxs Class B cement, squeeze 39 sxs outside casing and leave 12 sxs inside casing to cover the Gallup top. PUH.
6. **Plug #3 (Pictured Cliffs, Fruitland, Kirtland and Ojo Alamo tops, 3170' – ²⁵⁶¹~~2657~~)**: Mix and pump ~~43~~ sxs Class B cement and spot a balanced plug inside casing to cover through the Ojo Alamo top. TOH with tubing.

7. **Plug #4 (Nacimiento top, ¹³⁰⁶902' – ¹²⁰⁶802')**: Perforate 3 HSC squeeze holes at ¹⁵⁰⁶902'. If the casing tested, then attempt to establish rate into the squeeze holes. RIH and set CR at ⁸⁵²852'. Establish rate below CR. Mix and pump 51 sxs Class B cement, squeeze 39 sxs outside the casing and leave 12 sxs inside the casing to cover the Nacimiento top. TOH and LD tubing.
8. **Plug #5 (8.625" casing shoe, 414' – 0')**: Perforate 3 HSC squeeze holes at 414'. Establish circulation to surface down the 4.5" casing and bradenhead valve, circulate the BH annulus clean. Mix approximately 135 sxs Class B cement and pump down the 4.5" casing to circulate good cement to the surface. Shut in well and WOC.
9. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401**

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 3 Arco Little Federal 32

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 599-8907.
3. The following modifications to your plugging program are to be made:
 - a) Bring the top of the Pictured Cliffs/Fruitland/Kirtland/Ojo Alamo plug to 2561'.
 - b) Place the Nacimiento plug from 1306' – 1206' inside and outside the 4 ½" casing.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.