



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

September 16, 2002

Lori Wrotenbery
Director
Oil Conservation Division

Energen Resources Corporation
2198 Bloomfield Highway
Farmington, New Mexico 87401

Attention: Richard Corcoran

Re: Administrative application (reference No. pKRV0-225653480) for an exception to the well location provisions (Rule 7) of the "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool," as promulgated by Division Order No. R-8768, as amended, for Energen Resources Corporation's ("Energen") recently drilled Carson Well No. 11 (API No. 30-039-26881) located 1680 feet from the North line and 1650 feet from the West line (Unit F) of Section 21, Township 30 North, Range 4 West, NMPM, Rio Arriba County, New Mexico. The W/2 of Section 21, being a standard 320-acre stand-up gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (71629), is to be dedicated to this well.

Dear Mr. Corcoran:

In reviewing your application and checking the Division's records in association with this matter, I discovered that Energen recently drilled the Carson Well No. 10 (API No. 30-039-26882), located 795 feet from the South line and 1405 feet from the West line (Unit N) of Section 21. According to the well file (see copy attached), Energen permitted this well as a dual Pictured Cliffs/Basin-Fruitland Coal gas well. The NMOCD Form C-102, dated December 11, 2001, for the Carson Well No. 10 shows that the W/2 will also be dedicated to the well for the Basin-Fruitland coal gas production, and pursuant to Rule 7 of the special Basin-Fruitland coal gas pool rules this location is standard.

I find it interesting that you failed to mention the Carson Well No. 10 in your application. Perhaps it was inadvertently overlooked. This application being unnecessary is hereby **denied** and is being returned to you at this time.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
U. S. Forest Service - Bloomfield
Kathy Valdes, NMOCD - Santa Fe
J. Scott Hall, Legal Counsel for Energen Resources Corporation - Santa Fe

DATE IN 9/13/02	SUSPENSE 10/3/02	ENGINEER MS	LOGGED NW/MSL	TYPE 225653480
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling
[X] NSL [] NSP [] DD [] SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement
[] DHC [] CTB [] PLC [] PC [] OLS [] OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
[] WFX [] PMX [] SWD [] IPI [] EOR [] PPR

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

[A] [] Working, Royalty or Overriding Royalty Interest Owners

[B] [X] Offset Operators, Leaseholders or Surface Owner

[C] [] Application is One Which Requires Published Legal Notice

[D] [] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] [] For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] [] Waivers are Attached

OIL CONSERVATION DIV
02 SEP 13 PM 2:30

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE** - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Richard P. Corcoran
Print or Type Name

Richard P. Corcoran
Signature

District Landman
Title

9/10/02
Date



September 11, 2002

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RE: ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATION
CARSON #11
1680' FNL & 1650' FWL
SECTION 21-T30N-R4W
RIO ARriba COUNTY, NEW MEXICO

(30-039-26881)

Dear Mr. Stogner:

Energen Resources Corporation hereby requests administrative approval for an unorthodox location of its proposed Carson #11 Fruitland Coal well under the provisions of NMOCD Order #R-8768A.

The Carson #11 was drilled to a total depth of 4,720' and completed August 21, 2002 as a Pictured Cliffs well, at a legal location 1680' FNL & 1650' FWL of Section 21-T30N-R4W, Rio Arriba County, New Mexico. There is no production history for this well yet. However, our review of the logs indicates the Fruitland Coal formation may be productive in this wellbore.

Energen now desires to attempt a completion in the Fruitland Coal Formation and if productive commingle it with the Pictured Cliffs production. In order to avoid unnecessary expense and capture these reserves Energen is making plans to utilize the subject well and recomplete it as a Fruitland Coal well. Since NMOCD Order #R-8768A calls for Fruitland Coal wells to be located in the NE or SW of a governmental section, an exception to this requirement will be needed to utilize the existing wellbore and is hereby requested.

The San Juan 30-4 Unit #101NP was drilled to a total depth of 4,242' and completed August 8, 1989 as a Fruitland Coal well at a legal location of 790' FNL & 1,495' FEL of Section 20-T30N-R4W. The well never produced and was Plugged and Abandoned July 9, 1997.

The San Juan 30-4 Unit #40 was drilled to a total depth of 7,503' and completed in the Mesaverde November 24, 1995 at a location of 2,450' FSL & 2,270' FEL of Section 21-30N-4W. The formation could not be economically produced, subsequent completions were attempted in the Pictured Cliffs and Fruitland Coal Formations with the well being temporarily abandoned.

A copy of this application is being submitted to all offset owners by certified mail with a request that they furnish your office in Santa Fe a waiver of objection.

Attached is a well location plat showing dedicated acreage, a topographic plat of the area and a map showing offset owners.

Sincerely,



Richard Corcoran
District Landman

RC/ga
Enclosures



United States
Department of
Agriculture

Forest
Service

Southwestern Region 3
Carson National Forest
Jicarilla Ranger District

664 East Broadway
Bloomfield, New Mexico 87413
(505) 632-2956
FAX (505) 632-3173

File Code: 2820-2

Date: February 26, 2002

Rich Corcoran
Energen Resources
2198 Bloomfield Hwy.
Farmington, NM 87413

Dear Mr. Corcoran:

RE: Unorthodox location for wells

The Jicarilla Ranger District, Carson National Forest is requesting you apply for two unorthodox locations as follows, as discussed by your company representative, and Camela Hooley of this office:

San Juan 30-4 #34R T. 30 N., R. 4 W. Section 16 1755'FNL/1655'FWL
Carson #11 T. 30 N., R. 4 W. Section 21 1680'FNL/1650'FWL

The mineral operator is required to comply with other applicable regulations such as the Endangered Species Act, the Clean Water Act, and the Archeological Resources Protection Act under 36 CFR 228.112(c). The operator is also required under 36 CFR 228.108(c) to minimize or prevent damage to surface resources. The Carson National Forest Management Plan states that surface resource impacts will be minimized when administering mineral resources.

The following conditions apply which require unorthodox locations:

S.J. 30-4 #34R: Topographic and visual concerns prevent locating the well in the preferred orthodox location. An existing abandoned well pad exists at the requested location, preventing unnecessary resource damage.

Carson #11: An existing abandoned well pad exists at the requested location, preventing unnecessary resource damage.

Thank you for your cooperation in this matter.

Sincerely,

/s/ Mark Catron
MARK CATRON
District Ranger



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	*Pool Code	*Pool Name
	72400	Blanco Pictured Cliffs, East
*Property Code	*Property Name	*Well Number
	CARSON	11
*GRID No.	*Operator Name	*Elevation
162928	ENERGEN RESOURCES CORPORATION	7522'

¹⁰ Surface Location

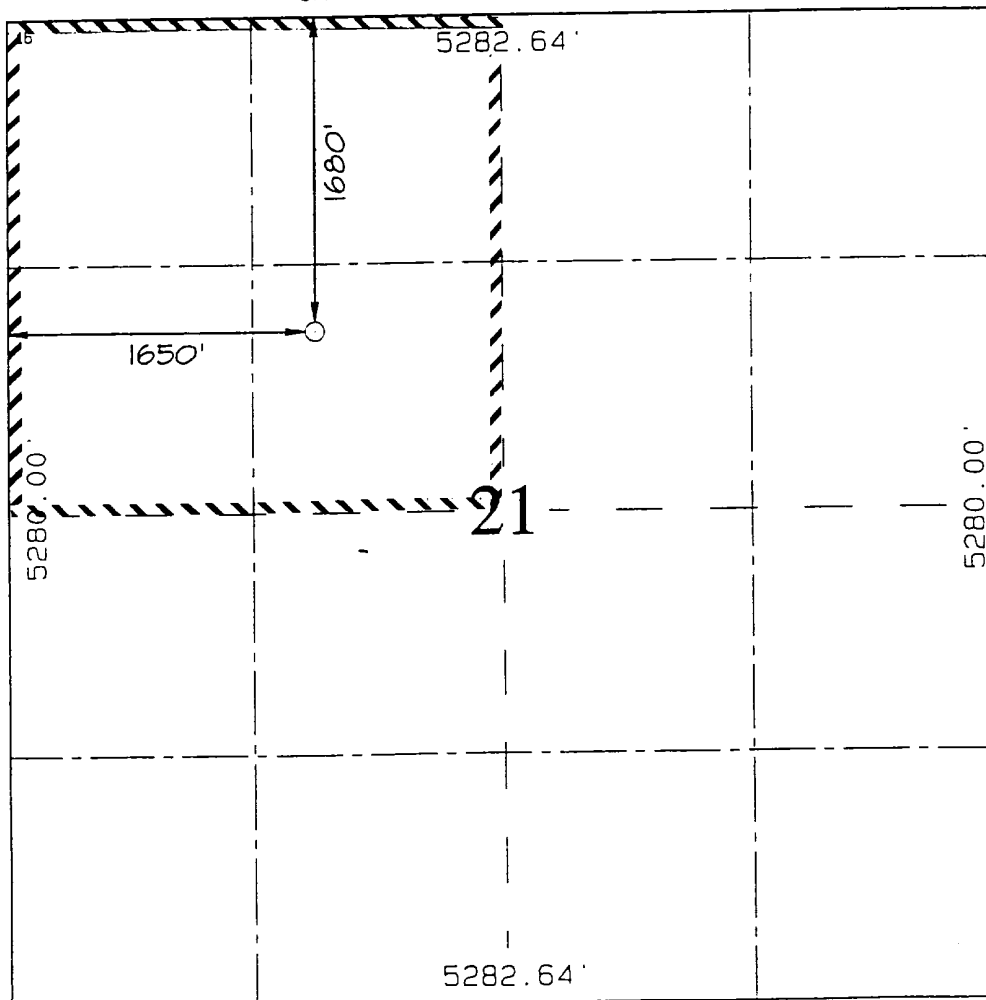

UL or lot no.	Section	Township	Range	Lot 1ch	Feet from the	North/South line	Feet from the	East/West line	County
F	21	30N	4W		1680	NORTH	1650	WEST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1ch	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
160			

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

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><u>Don Graham</u> Signature Don Graham Printed Name Production Superintendant Title 12-11-01 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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</p> <p>Survey Date: SEPTEMBER 28, 2001</p>
	<p>Signature and Seal of Professional Surveyor</p> <p></p> <p><u>JASON C. EDWARDS</u> Certificate Number 15269</p>

ENERGEM RESOURCES CORPORATION, ARSON #11
1680' FNL & 1650' FWL, SECTION 21, T30N, R4W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO



Energen Resources Corporation

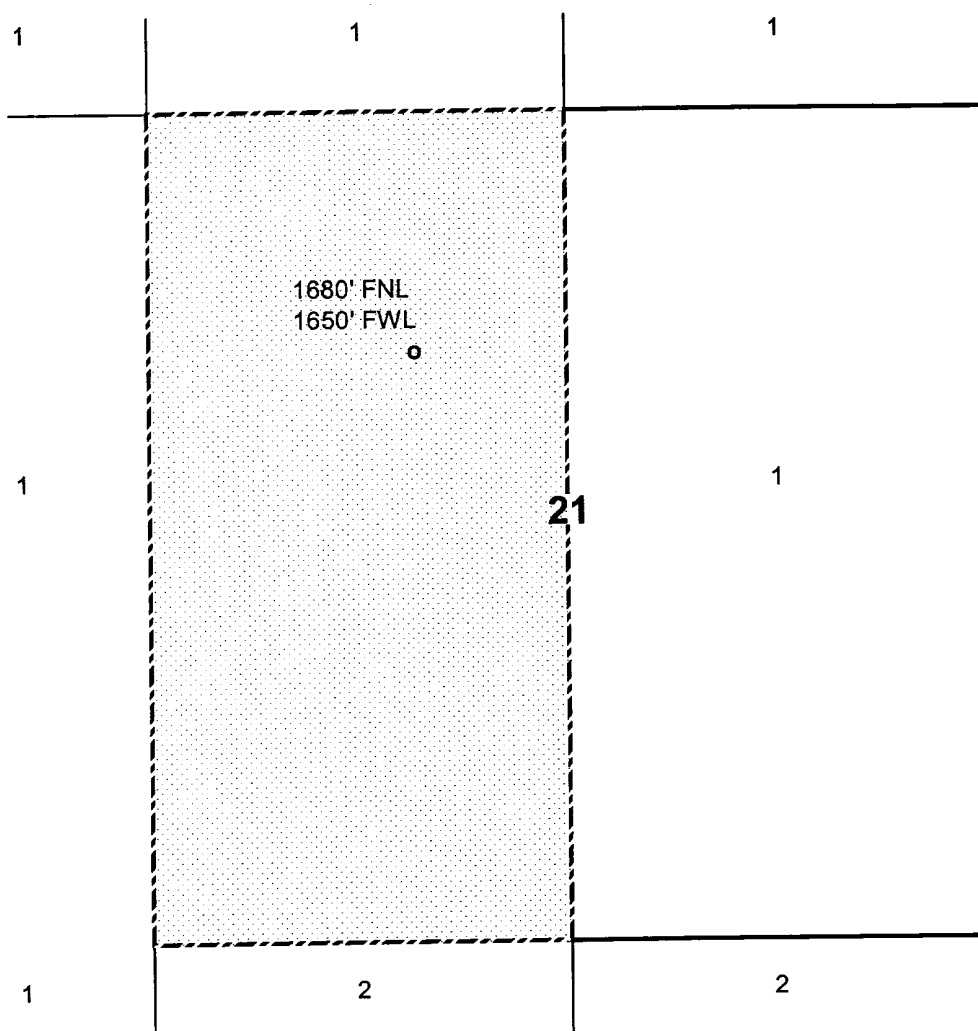
Carson #11

OFFSET OPERATOR \ OWNER PLAT

- Fruitland Coal Formation

W/2 Section 21 - Township 30 North - Range 4 West

Rio Arriba County, NM



Tract 1 Energen Resources Corp.

Tract 2 Burlington Resources
Energen Resources
Dugan Production Corp.
Providence Minerals
J&M Raymond, Ltd.
M A R Oil & Gas Corp.
JABCO, LLP
Trust U/W/O Evelyn G. Brown
Trust U/W/O Algernon W. Brown
Maydell Miller Mast Trust
Charles W. Gay

Tract 2 (continued)

Lorrayn Gay Hacker
T. H. McElvain Oil & Gas
Ruth Zimmerman Trustee
Pool Resources, Inc.
Tinnin Enterprises/Thomas Tinnin
The Tinmil/Robert Tinnin

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

RECEIVED

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

2002 JUL 22 PM 1:11

SUBMIT IN TRIPLICATE - One Instructions on reverse side

070 FARMINGTON, NM

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)
505-325-6800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
795' FSL, 1405' FWL, Sec. 21, T30N, R04W, N.M.P.M.

5. Lease Serial No.

SF-079487A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Carson 10

9. API Well No.
30-039-26882

10. Field and Pool, or Exploratory Area
East Blanco Pictured Cliffs
Basin Fruitland Coal

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

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>set casing</u>
<input type="checkbox"/> Change Plans	<input 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	

3. 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.)

07/08/02 TD: 4751'. Ran 107 jts 5-1/2" 15.50# J-55 LT&C casing, set @ 4750'. Stage tool set @ 3996'. RU Halliburton. Cement 1st stage with 225 sks 50/50 Class B poz, 5#/sk gilsonite, 1/4#/sk flocele, 2% gel, 0.2% CFR-3, 0.5% Halad-9 (297 cu.ft.). Plug down @ 7:45 am on 07/08/02. Circulate 5 sks cement to surface. Cement 2nd stage with 580 sks 65/35 Class B poz, 10#/sk gilsonite, 1/4#/sk flocele, 6% gel, 2% CaCl2 followed with 50 sks 50/50 Class B poz, 5#/sk gilsonite, 1/4#/sk flocele, 2% gel, 0.2% CFR-3, 0.5% Halad-9 (1202 cu.ft.). Plug down @ 1:45 pm on 07/08/02. Circulate 450 sks cement to surface. RD Halliburton. ND BOP. Rig released 9:00 pm on 07/08/02.

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

Vicki Donaghey

Title

Production Assistant

Date 07/11/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by

Title

Date

1111 23 2002

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

FARMINGTON FIELD 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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

5. Lease Serial No.

SF-079487A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Carson 10

9. API Well No.

30-039-26882

10. Field and Pool, or Exploratory Area
East Blanco Pictured Cliffs
Basin Fruitland Coal

11. County or Parish, State

Rio Arriba NM

SUBMIT IN TRIPLICATE Other instructions on reverse side

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)

505-325-6800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

795' FSL, 1405' FWL, Sec. 21, T30N, R04W, N.M.P.M.

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>spud</u> |
| <input type="checkbox"/> Change Plans | <input 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 | |

3. 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 recompleat 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 recompleat 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.)

06/04/02 Spud @ 5:00 am on 06/29/02. Drilled 12-1/4" hole to 237'. Ran 5 jts. 9-5/8" 32.30# H-40 ST&C casing, set @ 228'. RU Halliburton. Cement with 150 sks Class B, 1/4#/sk flocele, 2% CaCl2 (177 cu.ft.). Plug down @ 1:30 am on 06/29/02. Circulate 85 sks cement to surface. RD Halliburton. WOC. NU BOP. Test casing & BOP to 600 psi - ok. BLM notified- no witness.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Vicki Donaghey

Title

Production Assistant

Date 07/03/02

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

DATE 2002

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

FARMINGTON FIELD OFFICE
BY ste

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

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-079487A	
1b. 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. Unit or CA Agreement Name and No.	
3a. Address 2198 Bloomfield Highway Farmington, New Mexico 87401		8. Lease Name and Well No. Carson 10	
3b. Phone No. (include area code) (505) 325-6800		9. API Well No. 30-039-26882	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 795' FSL, 1405' FWL At proposed prod. zone		10. Field and Pool, or Exploratory East Blanco PC; Basin FRC	
14. Distance in miles and direction from nearest town or post office* 10 miles Northeast of Gobernador, New Mexico		11. Sec., T., R., M., or Blk. and Survey or Area N Sec. 21, T30N, R4W, N.M.P.M.	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 795'		12. County or Parish Rio Arriba	
16. No. of Acres in lease 1819.52		13. State NM	
17. Spacing Unit dedicated to this well 320 W/2		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1900'	
19. Proposed Depth 4744'		20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7552' GL		22. Approximate date work will start* June 2002	
23. Estimated duration 10 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:

- Well plat certified by a registered surveyor.
- A Drilling Plan
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) Don Graham	Date 12/11/01
Title Production Superintendent		
Approved by (Signature) /s/ David J. Mankiewicz	Name (Printed/Typed)	Date JUN 19 2002
Title	Office	

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 procedural 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"

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

District II
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

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

District III
1000 Rio Brazos Rd., Aztec, NM 87410

PO Box 2088
Santa Fe, NM 87504-2088

2001 DEC 13 PM 1:50

District IV
PO Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-26882		*Pool Code 72400 - 71629	*Pool Name Blanco Pictured Cliffs, East - Basin Fruitland Coal
*Property Code 21185	*Property Name CARSON		*Well Number 10
*OGRID No. 162928	*Operator Name ENERGEN RESOURCES CORPORATION		*Elevation 7552'

¹⁰ Surface Location

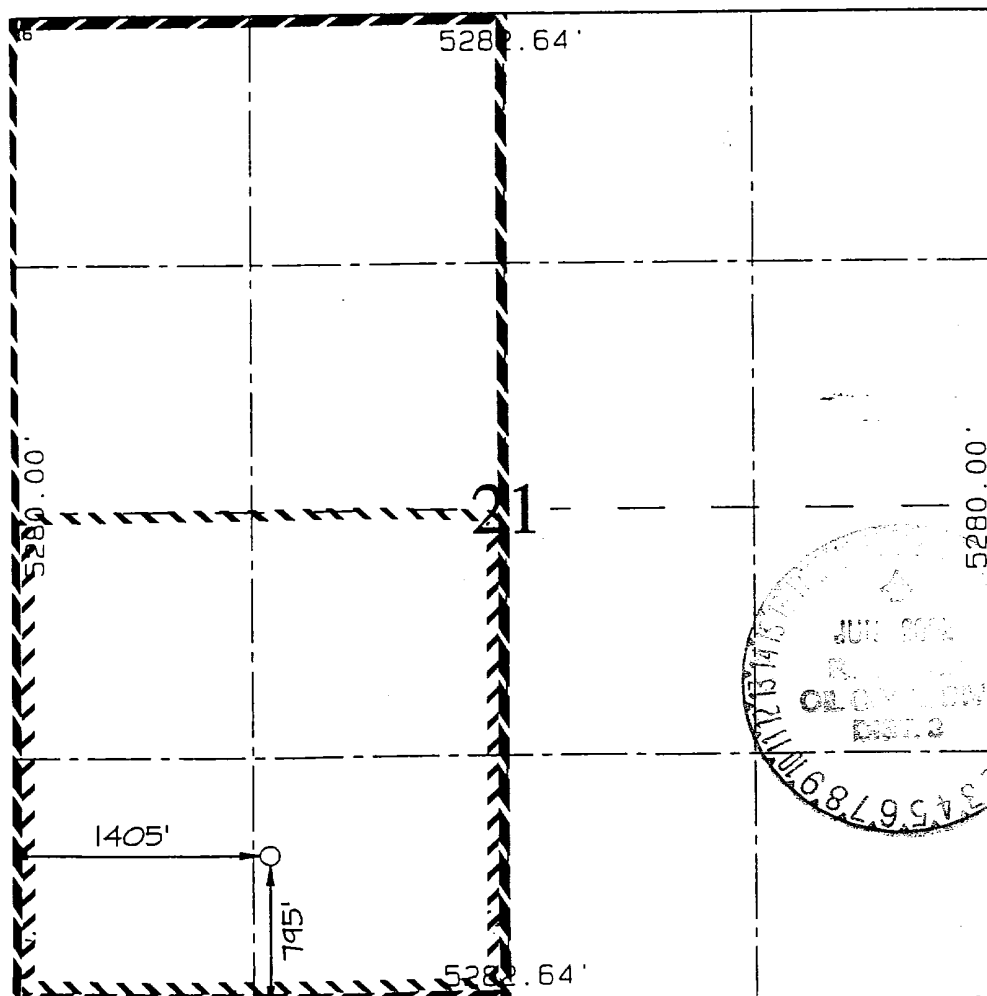
U. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	21	30N	4W		795	SOUTH	1405	WEST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

U. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

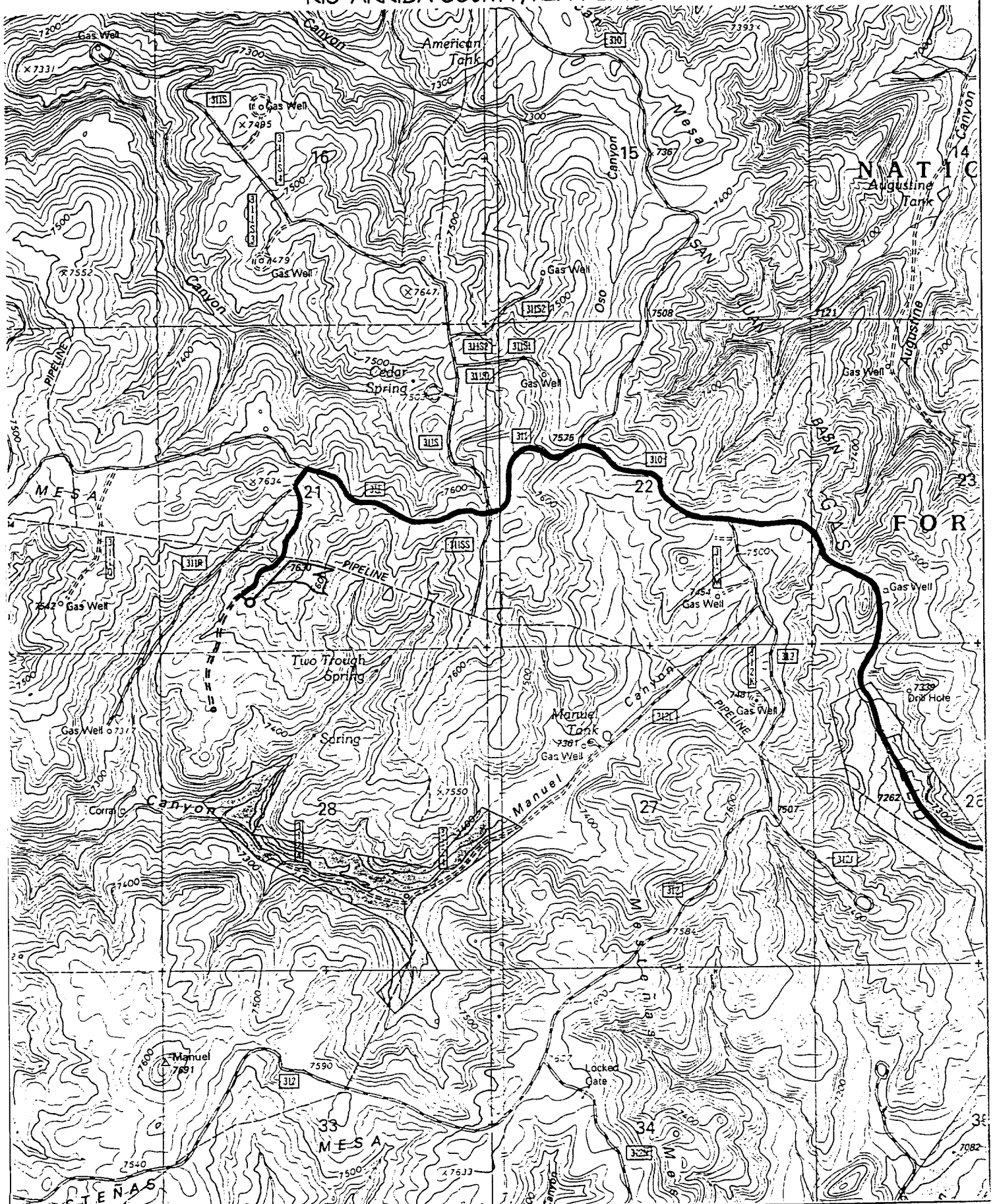
¹² Dedicated Acres 160/320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

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

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Don Graham</i> Signature Don Graham Printed Name Production Superintendant Title Date 12-11-01</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Survey Date: SEPTEMBER 28, 2001</p> <p>Signature and Seal of Professional Surveyor</p> <p><i>JASON C. EDWARDS</i> Certificate Number 15269</p>

ENERGEN RESOURCES CORPORATION CARSON #10

795' FSL & 1405' FWL, SECTION 21, T30N, R4W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO



OPERATIONS PLAN

WELL NAME: Carson 10

LOCATION: 795' FSL, 1405' FWL, Section 21, T30N, R4W, Rio Arriba County, NM

FIELD: East Blanco Pictured Cliffs

ELEVATION: 7552' GL

FORMATION TOPS:

Surface	San Jose
Nacimiento	2334
Ojo Alamo	3669
Kirtland	3889
Fruitland	4109
Pictured Cliffs	4294
Lewis	4604
Total Depth	4744

LOGGING PROGRAM:

Open Hole Logs:

Surface to TD: HRI/SP/GR, CNT/LDT/MLT, MRIL

Mud Logs: None

Coring: None

Natural Gauges: None

MUD PROGRAM: Fresh water low solids mud from surface to T. D. 9.0-9.2 PPG.

CASING PROGRAM:

<u>HOLE SIZE</u>	<u>DEPTH</u>	<u>CSG SIZE</u>	<u>WT.</u>	<u>GRADE</u>
12 1/4"	200'	9 5/8"	32.3#	H-40
7 7/8"	4744'	5 1/2"	15.5#	J-55

TUBING PROGRAM:

4600	2 3/8"	4.7#	J-55
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WELLHEAD: 9 5/8" 2000 x 5 1/2" Larkin Fig. 92 casing head. 5-1/2" 2000 x 2" tubing head.

BOP SPECIFICATIONS:

An 11" 2000 psi minimum double gate BOP stack (Figure 1) will be used following nipple up of casing head. During air drilling operations, a Shaffer Type 50 or equivalent rotating head will be installed on top of the stack. A 2" nominal, 2000 psi minimum choke manifold will be used. An upper Kelly Cock valve with handle available and drill string valve to fit each drill string will be available on the rig floor during drilling operations.

CEMENTING:

9 5/8" surface casing - Cement with 110 sks Class B Cement with 1/4# flocele/sk and 2% calcium chloride (130 cu. ft. of slurry, 100% excess to circulate to surface). WOC 12 hrs. Test casing to 600# for 30 minutes.

Texas Pattern Guide Shoe on bottom.

5 1/2" production casing:

First Stage - cement with 155 sks Class B with 2% Calcium Chloride, 10% Gilsonite and 1/4# flocele/sks (194 cu. ft. of slurry, 50% excess to circulate stage tool @ 4000).

Second Stage - cement with 510 sks 65/35 Class B Poz with 6% gel, 2% calcium chloride, 10% gilsonite, and 1/4# flocele/sk. Tail with 50 sks Class B w/2% calcium chloride, 10% gilsonite and 1/4# flocele/sk. (1040 cu. ft. of slurry, 50% excess to circulate to surface). WOC 12 hrs.

Cement nose guide shoe on bottom with a self-fill insert float valve on top of shoe joint. 8 bow spring centralizers spaced every 3rd joint off bottom. One bow spring centralizer below and eight above stage tool at 4000. Two turbolating centralizers at the base of the Ojo Alamo.

OTHER INFORMATION:

- 1) No abnormal temperatures or pressures are anticipated.
- 2) If lost circulation is encountered, sufficient LCM will be added to the mud system to maintain well control.
- 3) This gas is dedicated.
- 4) Anticipated pore pressure for the Fruitland is 900 psi and the Pictured Cliffs is 1000 psi.