

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-079485 |
| 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. San Juan 30-4 Unit |
| 3a. Address 2198 Bloomfield Highway Farmington, New Mexico 87401 | | 8. Lease Name and Well No. San Juan 30-4 Unit 34R |
| 3b. Phone No. (include area code) (505) 325-6800 | | 9. API Well No. 30-039-26803 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 1755' FNL, 1655' 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* 11 miles Northeast of Gobernador, New Mexico | | 11. Sec., T., R., M., or Blk. and Survey or Area Sec. 16, 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) 1655' | 16. No. of Acres in lease 640 | 17. Spacing Unit dedicated to this well PC NW/4 160, W/2 320 FC |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 50' | 19. Proposed Depth 4669' | 20. BLM/BIA Bond No. on file |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7457' 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:

- | | |
|---|--|
| 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>Don Graham</i> | Name (Printed/Typed) Don Graham | Date 12/11/01 |
| Title Production Superintendent | | |
| Approved by (Signature) <i>/s/ David J. Mankiewicz</i> | Name (Printed/Typed) | Date JUN 13 |
| 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)

procedural review pursuant to 43 CFR 3160.3
and appeal pursuant to 43 CFR 3165.4.

DO NOT COME IN CONTACT WITH ATTACHED
"NATIONAL REQUIREMENTS"

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 00, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|------------------------------------|---|-----------------------------|---|
| *API Number 30-039-26883 | | *Pool Code 72400 - 71629 | *Pool Name Blanco Pictured Cliffs, East - Basin Fruitland Coal |
| *Property Code 21994 | *Property Name SAN JUAN 30-4 UNIT | | *Well Number 34R |
| *GRID No. 162928 | *Operator Name ENERGEN RESOURCES CORPORATION | | *Elevation 7457' |

¹⁰ Surface Location

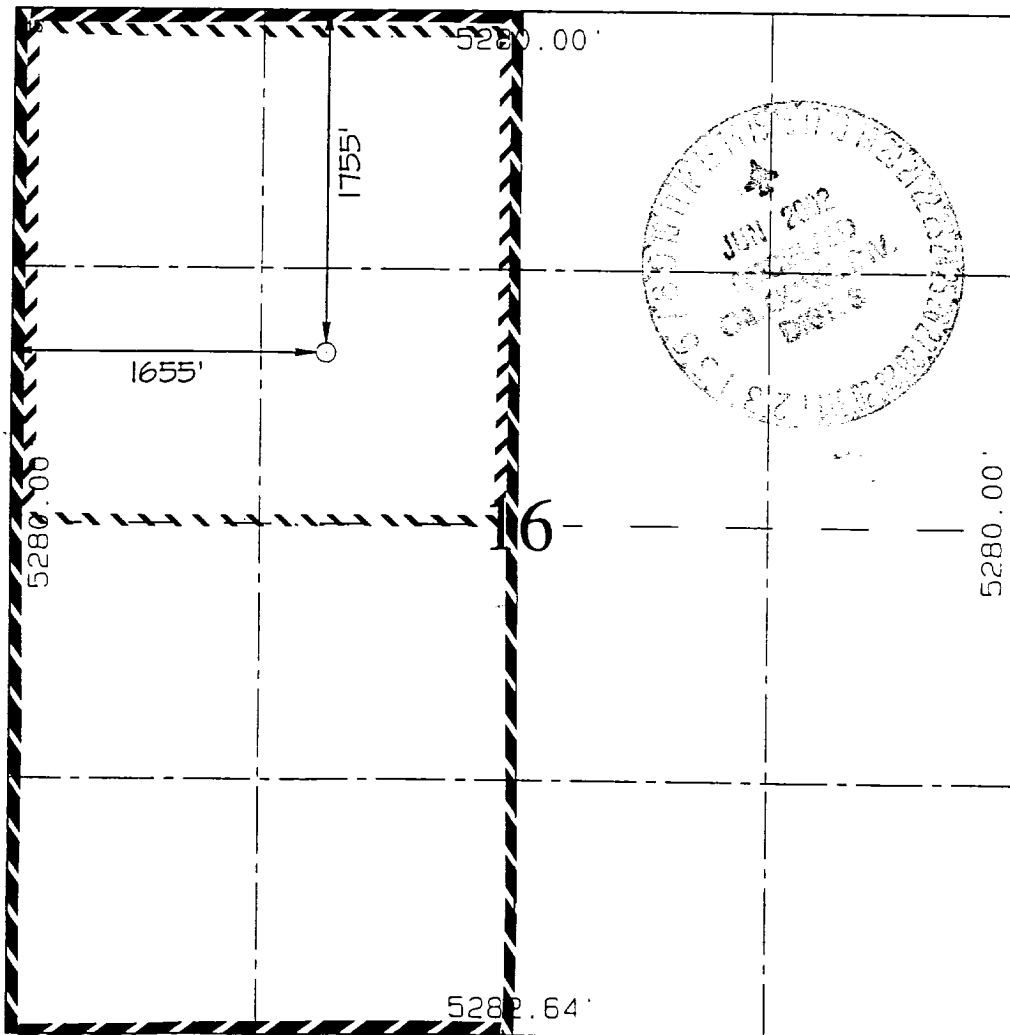
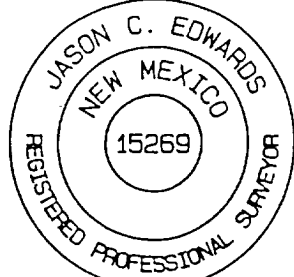
| | | | | | | | | | |
|--------------------|---------------|-----------------|-------------|---------|-----------------------|---------------------------|-----------------------|------------------------|----------------------|
| UL or lot no. F | Section 16 | Township 30N | Range 4W | Lot Idn | Feet from the 1755 | North/South line NORTH | Feet from the 1655 | East/West line WEST | County 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|

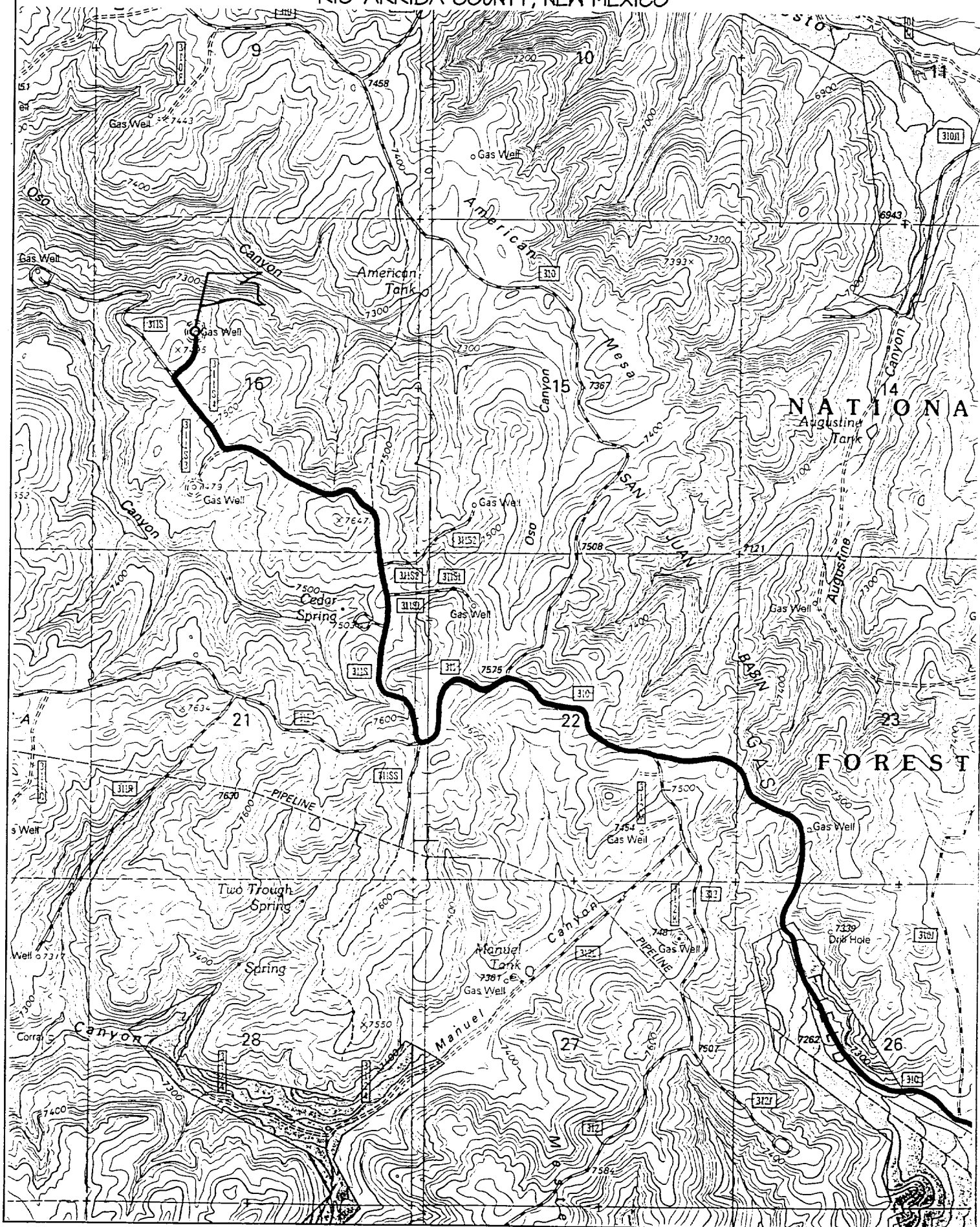
| | | | |
|--|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 160/320 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--|-------------------------------|----------------------------------|-------------------------|

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></p> <p>Signature Don Graham</p> <p>Printed Name Production Superintendent</p> <p>Title</p> <p>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: NOVEMBER 1, 2001</p> <p>Signature and Seal of Professional Surveyor</p> <p></p> <p><i>JASON C. EDWARDS</i></p> <p>Certificate Number 15269</p> |

ENERGEN RESOURCES CORPORATION SAN JUAN 30-4 UNIT #34R

1755' FNL & 1655' FWL, SECTION 16, T30N, R4W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO



OPERATIONS PLAN

WELL NAME: San Juan 30-4 Unit #34R

LOCATION: 1755' FNL, 1655' FWL, Section 16, T30N, R4W, Rio Arriba County, NM

FIELD: East Blanco Pictured Cliffs

ELEVATION: 7457' GL

FORMATION TOPS:

| | |
|-----------------|----------|
| Surface | San Jose |
| Nacimiento | 2294 |
| Ojo Alamo | 3584 |
| Kirtland | 3819 |
| Fruitland | 4029 |
| Pictured Cliffs | 4219 |
| Lewis | 4549 |
| Total Depth | 4669 |

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" | 4669' | 5 1/2" | 15.5# | J-55 |

TUBING PROGRAM:

| | | | |
|------|--------|------|------|
| 4600 | 2 3/8" | 4.7# | J-55 |
|------|--------|------|------|

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 160 sks Class B with 2% Calcium Chloride, 10% Gilsonite and 1/4# flocele/sks (200 cu. ft. of slurry, 50% excess to circulate stage tool @ 3900).

Second Stage - cement with 495 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. (1014 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 3900. 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.