SUBMIT IN TRIPLICATE*

(Other instructions on reverse side)

| LOIGN | · AL | INO | ED | |
|----------|------|-------|-----|------|
| OMB ! | NO. | 1004- | 013 | 6 |
| Expires: | Feb | ruary | 28, | 1995 |

| FORM APPROVED |
|-------------------------------------|
| OMB NO. 1004-0136 |
| Expires: February 28, 1995 |
| 5. LEASE DESIGNATION AND SERIAL NO. |
| NMSF-079011 |

| UNITED STATES | |
|----------------------------|---|
| DEPARTMENT OF THE INTERIOR | ł |

DUDEALLOEL AND MANAGEMENT

| | BUREAU OF L | _AND MANA | JENE | VI | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME |
|----------------------------------------------------|---------------------------------------------------------------------------------------|----------------------------|--------------|---------------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------|
| API | PLICATION FOR P | ERMIT TO | O DR | ILL OR DEEPE | N ₀₄ 1. | 211 |
| 1a. TYPE OF WORK | DRILL X - | DEEPEN [| | | 111 1 | ਿ ਹੋਮਸ਼ agreement name San Juan 32-5 Unit |
| b. TYPE OF WELL | TYPE OF WELL | | | | 3/1 | |
| OIL WELL 2. NAME OF OPERATOR | GAS X OTHER | | | SINGLE X MULTIPI ZONE ZONE | Æ | 8. FARM OR LEASE NAME, WELL NO. San Juan 32-5 Unit 11B |
| | CES CORPORATION | | | | | 9. API WELL NO. |
| 3. ADDRESS AND TELEPHONE NO. | | | | 30.039-2663 | | |
| 2198 Bloomfield Highway; Farmington, NM 87401 | | | | 10. FIELD AND POOL, OR WILDCAT | | |
| 4. LOCATION OF WELL (At surface | Report location clearly and in accordan | nce with any State r | equiremen | nts.*) | | Blanco Mesaverde |
| 540' FSL, 2170' FEL At proposed prod. zone | | | | | 11. SEC., T., R., M., OR BLK. O SO TOOM DOWN DOWN DOWN | |
| <u>~</u> | | | | | | Sec. 23, T32N, R6W, N.M.P.M |
| Eight (8) mile | AND DIRECTION FROM NEAREST TOWN SS SE of Arboles, Color | | T | | | 12. COUNTY OR PARISH 13. STATE NM |
| 15. DISTANCE FROM PRO LOCATION TO NEARI | EST | | 16. NO. | OF ACRES IN LEASE | 17. NO. OF TO THIS | ACRES ASSIGNED WELL |
| PROPERTY OR LEASE (Also to nearest drlg | LINE, FT. unit line, if any) 540' | | 132 | .0 | | 320 E/2 |
| | pposed location* drilling, completed, i this lease, ft. 1300 ' | | 19. PRO | POSED DEPTH | | Y OR CABLE TOOLS |
| OR APPLIED FOR, ON | THIS LEASE, FT. 1300' | | 610 | <u> 14' — </u> | Rota | |
| • • | whether DF,RT, GR, etc.) This action is subject to tec | halaal arid | | | | 22. APPROX. DATE WORK WILL START* |
| 0302 / GR | procedural review pursuant | to 43 CFR 31 | 85.9 | | | PERAMONS AUTHORIZED ARE |
| 23. | and appeal pursuant to 43 p | REPOSELSE ALING | G AND C | EMENTING PROGRAM''G | ENERAL | COMPLIANCE WITH ATTACHED |
| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOO | | SETTING DEPTH | | QUANTITY OF CEMENT |
| 12 1/4 | 9 5/8 | 36# | | 200' | 130 cu | u. ft., circ. to surface |
| 8 3/4 | 7 | 20# | | 3604 | 813 cı | u. ft., circ. to surface |
| 6 1/4 | 4 1/2 | 10.5# | | 3454'-6104'_ | 408 ct | u. ft., circ. liner |
| This gas i | ly perforate and sand w is dedicated. s Field Service Pipelin THIS IS AN EXP | ne ROW Plat | | / | W. | |
| IN ABOVE SPACE DE: deepen directionally, given 24. | SCRIBE PROPOSED PROGRAM: The pertinent data on subsurface location Authority | s and measured and | l true vert | data on present productive zo ical depths. Give blowout prev rilling & Completi | enter program | |
| (This space for Fed | leral or State office use) | | ,==== | | | |
| PERMIT NO. | | | | APPROVAL DATE | | |
| | does not warrant or certify that the applicant ho | olds legal or canitable ti | tle to those | | d entitle the am | plicant to conduct operations thereon. |
| CONDITIONS OF A | • | | 5 . 1050 | c | | |
| | | | | | | _ |
| | /8/ Joel Farr | e); | | | | MAR 28 |

*See Instructions On Reverse Side Title 18 U.S.C. Section 1001, 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.

-- DATE ---

— тпе —

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

District III 1000 Alo Brazos Rd., Aztec, NM 87410 Sant

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088 Instructions on back Submit to Appropriate District Office State Lease - 4 Cocies Fee Lease - 3 Cocies

CHOPESSION .

Centificate

685

AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT API Number Pool Code Pool Name 30-039-26623 Blanco Mesavende 72319 Property Code Property Name Well Number SAN JUAN 32-5 UNIT 118 'OGRID No. *Operator Name °Elevation 162928 ENERGEN RESCURCES CORPORATION 6352 ___ ¹⁰ Surface Location UL or lot no Section Township Range Feet from the North/South line County RIO Feet from the _East/West line 0 23 32N 6W 540 SOUTH 2170 EAST ARRIBA ¹¹ Bottom Hole Location If Different From Sunface Township UL or lot co Section Pance North/South line Feet from the East/West line County 12 Decicated Acres ³Joint or Infill 14 Consolidation Code ¹⁵ Onder No 320 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 2616.90 2582.90 hereby centify that the information contained herein is we and complete to the pest of my knowledge and belief Signature Ga<u>ry</u> ₿rink Printed Name Production Superintendant Title 111 Date "SURVEYOR CERTIFICATION I hereby centify that the well location shown on this bla was plotted from field notes of actual surveys made by ra or under my supervision, and that the same is true and correct to the best of my belia? SEPTEMBER 12, 2000 Date of Sur Seal See C. EDWARD · il 6857 2170

5464 [16

540' FSL & 2170' FEL, SECTION 23, T32N, R6W, N.M.P.M. RIO ARRIBA COUNTY, NEW MEXICO {19/ 35 36 €6502

ENERGEN RESOURCES CORPORATION SAN JUAN 32-5 UNIT #IIB

OPERATIONS PLAN

WELL NAME: San Juan 32-5 Unit 11B

LOCATION: 540' FSL, 2170' FEL, Section 23, T32N, R6W, Rio Arriba County, NM

FIELD: Blanco Mesaverde <u>ELEVATION:</u> 6352' GL

FORMATION TOPS:

| San Jose | Huerfanito Benonite | 4119 |
|----------|---------------------|-------------------------------------------------|
| 984 | Cliff House | 5014 |
| 2239 | Menefee | 5389 |
| 2354 | Point Lookout | 5554 |
| 2764 | Total Depth | 6104 |
| | 984 2239 2354 | 984 Cliff House 2239 Menefee 2354 Point Lookout |

Pictured Cliffs 3049 Lewis 3404

LOGGING PROGRAM:

Open Hole Logs:

Surface to intermediate: None

Inter TD to total depth: Temp/HRI/CNT, LDT/GR

Mud Logs:

Intermediate to total depth

Coring:

None

Natural Gauges:

Every 500' from intermediate TD to total depth

<u>MUD PROGRAM</u>: Fresh water low solids mud from surface to intermediate TD (9.0 PPG). Air/mist from intermediate casing point to total depth.

CASING PROGRAM:

| HOLE SIZE | <u>DEPTH</u> | CSG SIZE | $\underline{\mathrm{WT.}}$ | <u>GRADE</u> |
|-----------|--------------|----------|----------------------------|--------------|
| 12 1/4" | 200' | 9 5/8" | 36# | J-55 – ST&C |
| 8 3/4" | 3604' | 7" | 20# | J-55 – ST&C |
| 6 1/4" | 3454'-6104' | 4 1/2" | 10.5# | J-55 – LT&C |

TUBING PROGRAM:

6000' 2 3/8" 4.7# J-55

WELLHEAD: 11" 3000 x 9 5/8" casing head. 11" 3000 x 7 1/16" 3000 xmas tree.

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 ¼" 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. 3 bow type centralizers spaced throughout the string.

7" intermediate casing – cement with 355 sks 65/35 Class B Poz with 6% gel, 2% calcium chloride, 10% gilsonite, and ½# flocele/sk. Tail with 100 sks Class B w/2% calcium chloride, 10% gilsonite and ½# flocele/sk. (813 cu. ft. of slurry, 50% excess to circulate to surface). WOC 12 hrs. If cement does not circulate, run temperature survey in 8 hrs. to determine TOC. Test casing to 1200 psi for 30 minutes.

Cement nose guide shoe on bottom with a self-fill insert float valve on top of shoe joint. 10 bow spring centralizers spaced every 2nd joint off bottom. Two turbolating centralizers at the base of the Ojo Alamo.

4 ½" Production Liner

Cement with 325 sks 50/50 Poz with 2% gel, 5 PPS gilsonite, and .4% halad -9 and $\frac{1}{4}$ # flocele/sk (408 cu. ft., 50% excess to tie into intermediate casing string). WOC 18 hrs. prior to completion.

Cement nose guide shoe on bottom with float collar on top of shoe joint. Liner hanger will have neopreme packoff on top.

OTHER INFORMATION:

- 1) The Blanco Mesa Verde will be completed.
- 2) No abnormal temperatures or pressures are anticipated.
- 3) Anticipated pore pressure for the Mesa Verde is 1000.
- 4) If lost circulation is encountered sufficient LCM will be added to the mud system to maintain well control.
- 5) This gas is dedicated.
- 6) Anticipated pore pressure for the Fruitland is 700 psi and the Pictured Cliffs is 800 psi.