

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720
District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-103
Permit 40737

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NUMBER 30-025-38056
		5. Indicate Type of Lease S
		6. State Oil & Gas Lease No.
1. Type of Well:O	7. Lease Name or Unit Agreement Name SAUNDERS DEEP STATE	8. Well Number 002
2. Name of Operator ENERGEN RESOURCES CORPORATION	9. OGRID Number 162928	10. Pool name or Wildcat
3. Address of Operator 605 21ST STREET NORTH , BIRMINGHAM , AL 352032707		
4. Well Location Unit Letter 2 : 400 feet from the N line and 1940 feet from the E line Section 3 Township 15S Range 33E NMPM Lea County		
11. Elevation (Show whether DR, KB, BT, GR, etc.) 4193 GR		
Pit or Below-grade Tank Application ☐ or Closure ☐ Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE OF PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
Other:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTER CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐
CASING/CEMENT JOB ☐
Other: **Drilling/Cement** ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.
Reached the TD of 13,557' in the 8-3/4" hole @ 1:30 p.m. 10/28/06.RU Schlumberger WL and log. LDDP to run 5-1/2" casing.
Ran 321 jts of 5-1/2" HCL-80 17# casing totaling 13,569' set @ 13,557'. Centralized w/55 centralizers. Cemented w/2000 sx of "PVL" cmt. w/4% D020, 1.5% D112, 0.3% D65, 0.2% D46, 3#/sack D42 & 0.1#/sack of D29, tailed w/950 sx 50/50 Poz "H" cmt w/3.0% D174, 2.0% D20, 0.4% D167, 0.2% D65, 0.2% D46, 0.1% B155, 3# sack D42 & 0.25% of D29. Total of both slurries was 5605 cu.ft. Plug was dn w/2700-3200# @ 12:00pm 10/31/06. Circulated 198sx. Released rig 12:00 am. 11/1/06**9/7/2006** Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
09/08/06	Surf	FreshWater	17.5	13.375	48	H-40	0	446	700	1.36	"C"				Y
09/27/06	Int1	Brine	12.25	9.625	40	HCK-55	0	5868	2000	2.11	35/65 Poz		2000		Y
09/27/06	Int1	Brine	12.25	9.625	40	HCK-55	0	5868	600	1.92	35/65 Poz		2000		Y
09/27/06	Int1	Brine	12.25	9.625	40	HCK-55	0	5868	200	1.35	Class "C"		2000		Y
10/31/06	Prod	FreshWater	8.75	5.5	17	HCL-80	0	13557	2000	2.18	PVL				Y
10/31/06	Prod	FreshWater	8.75	5.5	17	HCL-80	0	13557	950	1.31	Poz H				Y

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Electronically Signed TITLE Regulatory Analyst DATE 11/1/2006
Type or print name Vicki Donaghey E-mail address vdonaghe@energen.com Telephone No. 505-325-6800

For State Use Only:

APPROVED BY: Chris Williams TITLE District Supervisor DATE 11/1/2006 3:10:23 PM