

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 Erazos 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

Form C-103
Permit 44206

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL API NUMBER 30-025-38056
5. Indicate Type of Lease S
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SAUNDERS DEEP STATE
8. Well Number 002
9. OGRID Number 162928
10. Pool name or Wildcat See Area 13

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFRENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: O

2. Name of Operator
ENERGEN RESOURCES CORPORATION

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 <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE OF PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> Other:	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTER CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> Other: Perforations/Tubing <input checked="" type="checkbox"/>
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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.

See Attached

Perforations

Pool: BURTNER;DEVONIAN, NORTH, 97455 Location: B -3-15S-33E 400 N 1940 E

TOP	BOT	Open Hole	Shots/ft	Shot Size	Material	Stimulation	Amount
13560	13565	Y	0			Acid	1008

Tubing

BURTNER,DEVONIAN, NORTH, 97455

Tubing Size	Type	Depth Set	Packer Set
2.875	L-80	13519	13487

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 NMOCDC guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Electronically Signed TITLE Regulatory Analyst DATE 1/3/2007
Type or print name Vicki Donaghey E-mail address vdonaghe@emergen.com Telephone No. 505-325-6800

For State Use Only:
APPROVED BY: Chris Williams TITLE District Supervisor DATE 1/4/2007 10:14:06 AM

SAUNDERS DEEP STATE #002
2-3-15SW-33E
30-025-38056

11/7 - 01/02/07

Ran CB/GR/CCL log. Drilled open hole from 13,560' to 13,565'. Tagged-up @ TD of 13,565'. Set packer @ 13,487'. Tubing string consists of a 2-7/8" half mule-shoed collar WL re-entry guide, 1 joint of 2-7/8" L-80 6.50# EUE 8rd ERW R-2 tubing, a 2-7/8" x 5-1/2" "Big Bore/Arrow-Set 1X" packer, 2-7/8" x 2.25" Type F profile nipple & 425 jts of 2-7/8" L-80 6.5# EUE 8rd ERW-R-2 tubing. KB corrected EOT is 13,519'. Begin swab-testing. Acidize w/1000 gals of 15% HCL/D1 acid w/additives followed by 46 bbls of 2% FKCLW. RU Gray WL & RU a 2" x 50' dump-bailer loaded w/8 gals of 28% HCL acid. Recovered 52 BF in 1 hour and well kicked-off flowing. Commenced flow-testing to test tank. Recovered 1506 bbls of oil. On 11/25 FTP began to fall and well was shut-in for evaluation. Began swab-testing, then shut-in well for reservoir analysis. On 12/5/06 did a polymer squeeze and began swab-testing on 12/11/06. As of 12/29/06 had recovered an additional 1544 BO. Continue to swab-test.

Tubing Comments

OGRID: [162928] ENERGEN RESOURCES CORPORATION
Permit Number: 44206
Permit Type: Tubing

Created By	Comment	Comment Date
CLARSON	This is an open-hole completion	1/3/2007