

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0136
Expires January 31, 2004

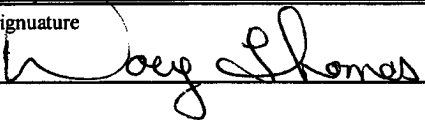

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM 29343
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name 10:57
2. Name of Operator Energen Resources Corporation		7. Unit or CA Agreement Name and No. NM
3a. Address 2198 Bloomfield Highway Farmington, New Mexico 87401	3b. Phone No. (include area code) (505)325-6800	8. Lease Name and Well No. Carracas 27A 3
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 945' FNL, 1975' FWL At proposed prod. zone		9. API Well No. 3003927660
14. Distance in miles and direction from nearest town or post office* 40 miles NE of Gobernador, NM		10. Field and Pool, or Exploratory Basin Fruitland Coal
5. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 945'		11. Sec., T., R., M., or Blk. and Survey or Area C-Sec.27-T32N-R05W NMPM
16. No. of Acres in lease 480		12. County or Parish Rio Arriba
17. Spacing Unit dedicated to this well 320 W/2		13. State NM
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1700'		20. BLM/BIA Bond No. on file
19. Proposed Depth 3973'		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7171' GL		22. Approximate date work will start* May 2004
23. Estimated duration 5 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:

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| 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 	Name (Printed/Typed) Doug Thomas	Date 3/03/04
Title Drilling Superintendent		
Approved by (Signature) 	Name (Printed/Typed) Wayne Townsend	Date 12/14/04
Title Acting AFM	Office FFO	

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)

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

District II
PO Drawer DD, 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 30039-27660	*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 34495	*Property Name CARRACAS	*Well Number 27A-3
*GRID No. 162928	*Operator Name ENERGEN RESOURCES CORPORATION	*Elevation 7171'

¹⁰ Surface Location

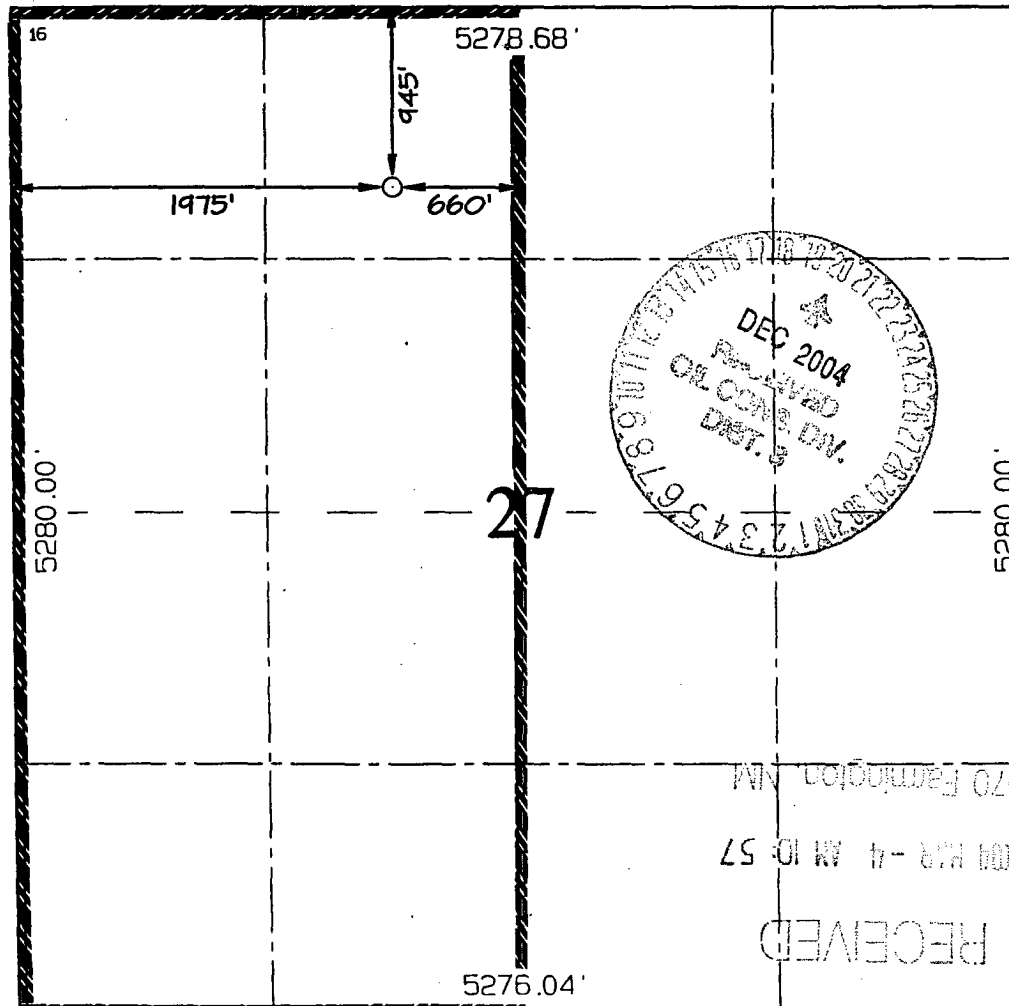

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	27	32N	5W		945	NORTH	1975	WEST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

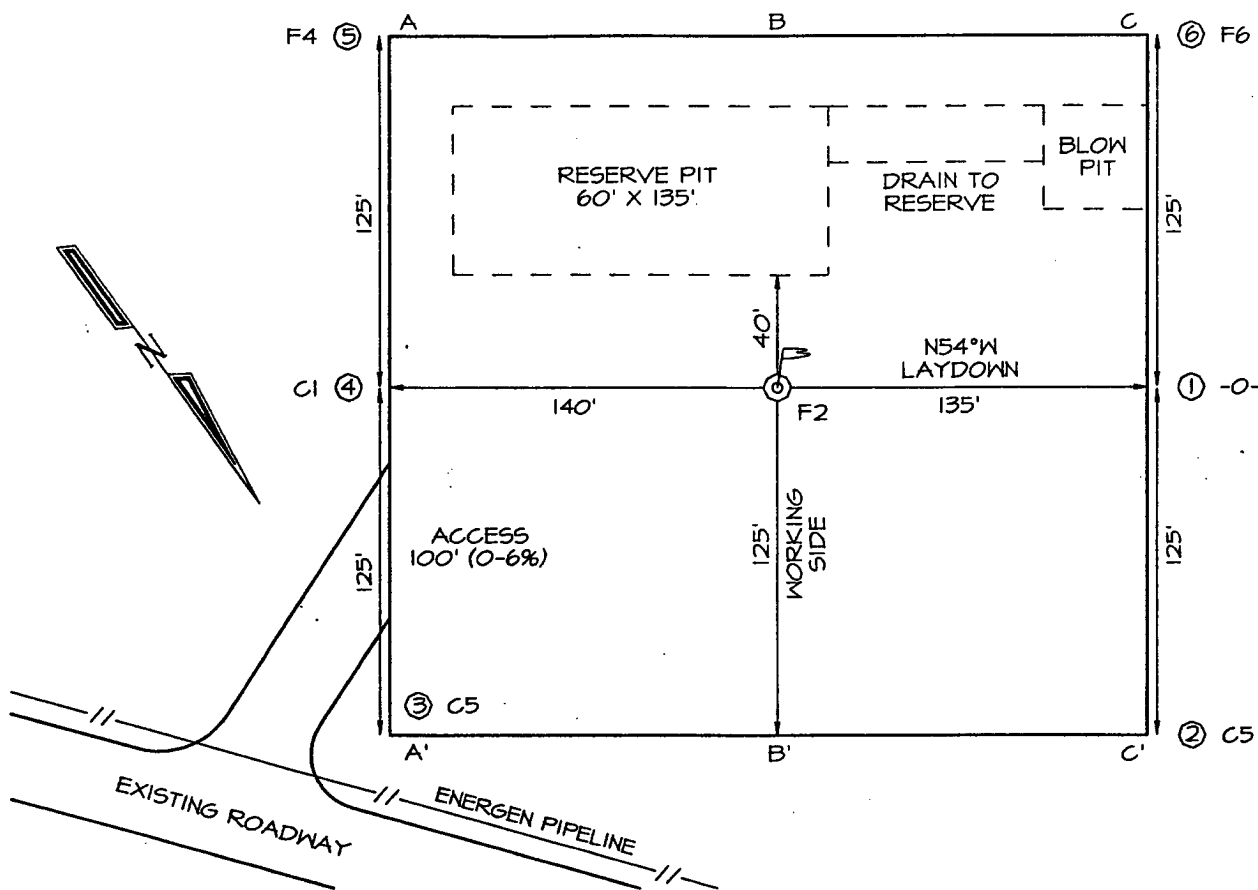
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 320.0 Acres - (W/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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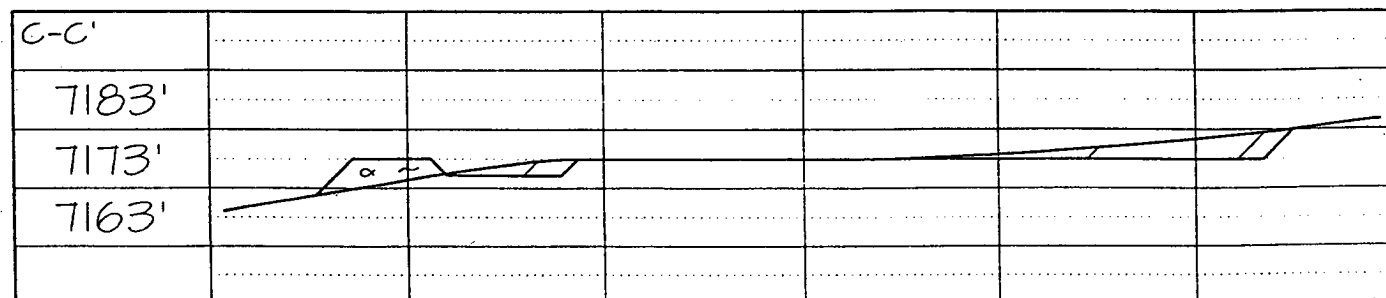
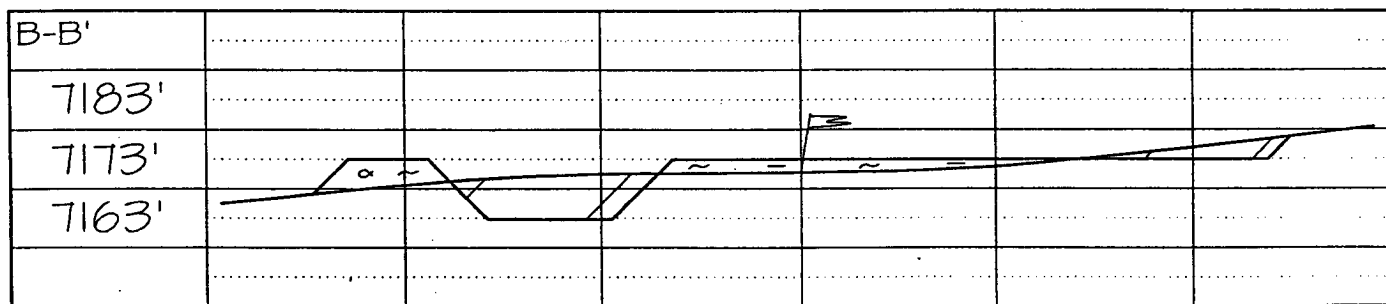
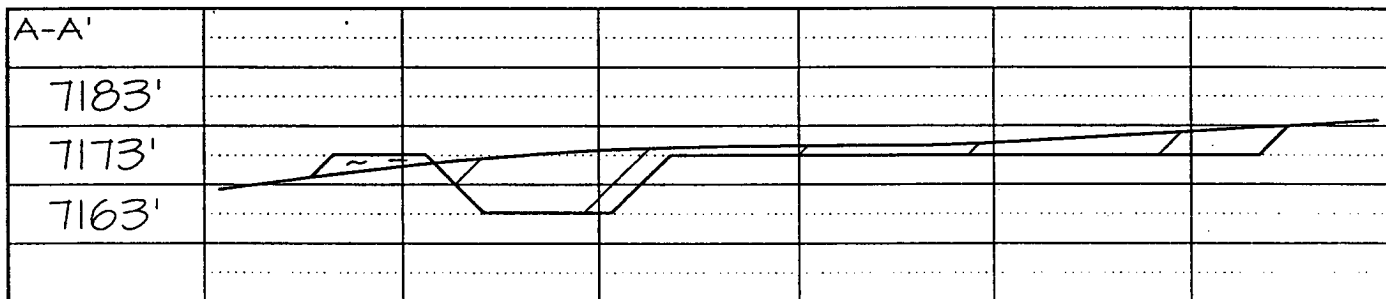
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Doug Thomas</i> Signature Doug Thomas Printed Name Drilling Superintendant Title 3/3/04 Date</p> <p>¹⁸ SURVEYOR CERTIFICATION 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: JANUARY 9, 2004 Signature and Seal of Professional Surveyor</p>  <p><i>JASON C. EDWARDS</i> Certificate Number 15269</p>
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ENERGEN RESOURCES CORPORATION CARRACAS 27A #3
945' FNL & 1975' FWL, SECTION 27, T32N, R5W, NMPM
RIO ARriba COUNTY, NEW MEXICO ELEVATION: 7171'



LATITUDE: 36°57'21"
LONGITUDE: 107°21'05"
 DATUM: NAD1927



OPERATIONS PLAN

WELL NAME: Carracas 27A #3

LOCATION: 945' FNL, 1975' FWL, Section 27, T32N, R5W, Rio Arriba County, NM

FIELD: Basin Fruitland Coal

ELEVATION: 7171' GL

FORMATION TOPS:

Surface	San Jose
Nacimiento	1942
Ojo Alamo	3212
Kirtland	3297
Fruitland	3702

Total Depth **3973**

LOGGING PROGRAM:

Open Hole Logs:

Surface to intermediate- Yes

Inter TD to total depth: None

Mud Logs: Intermediate to total depth

Coring: None

Natural Gauges: Every 500' from intermediate TD to total depth

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

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 – ST&C
8 3/4"	3818'	7"	23#	J-55 – LT&C
6 1/4"	3718'-3973'	5 1/2"	15.5#	J-55 – LT&C

TUBING PROGRAM:

3950'	2 3/8"	4.7#	J-55
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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 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. 3 bow type centralizers spaced throughout the string.

7" intermediate casing - cement with 500 sks 65/35 Class B Poz with 6% gel, 2% calcium chloride, 10% gilsonite, and 1/4# flocele/sk. Tail with 100 sks Class B w/2% calcium chloride, 10% gilsonite and 1/4# flocele/sk. (1090 cu. ft. of slurry, 90% 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.

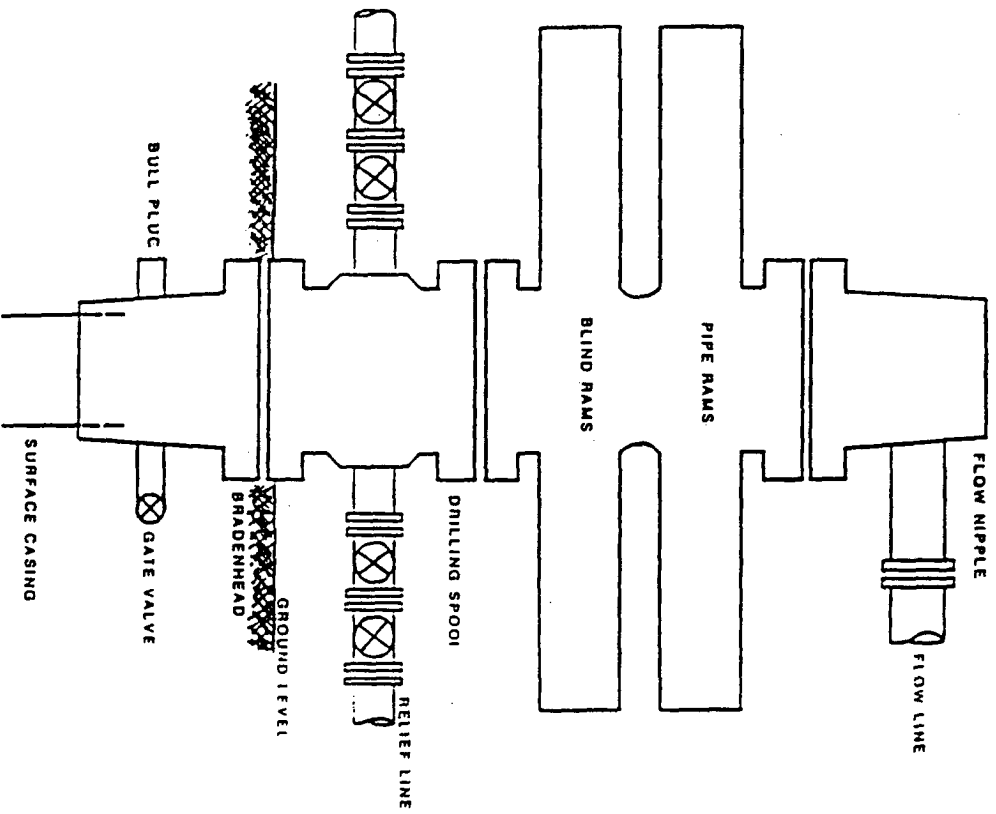
5 1/2" liner - NO CEMENT

OTHER INFORMATION:

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

Figure #1

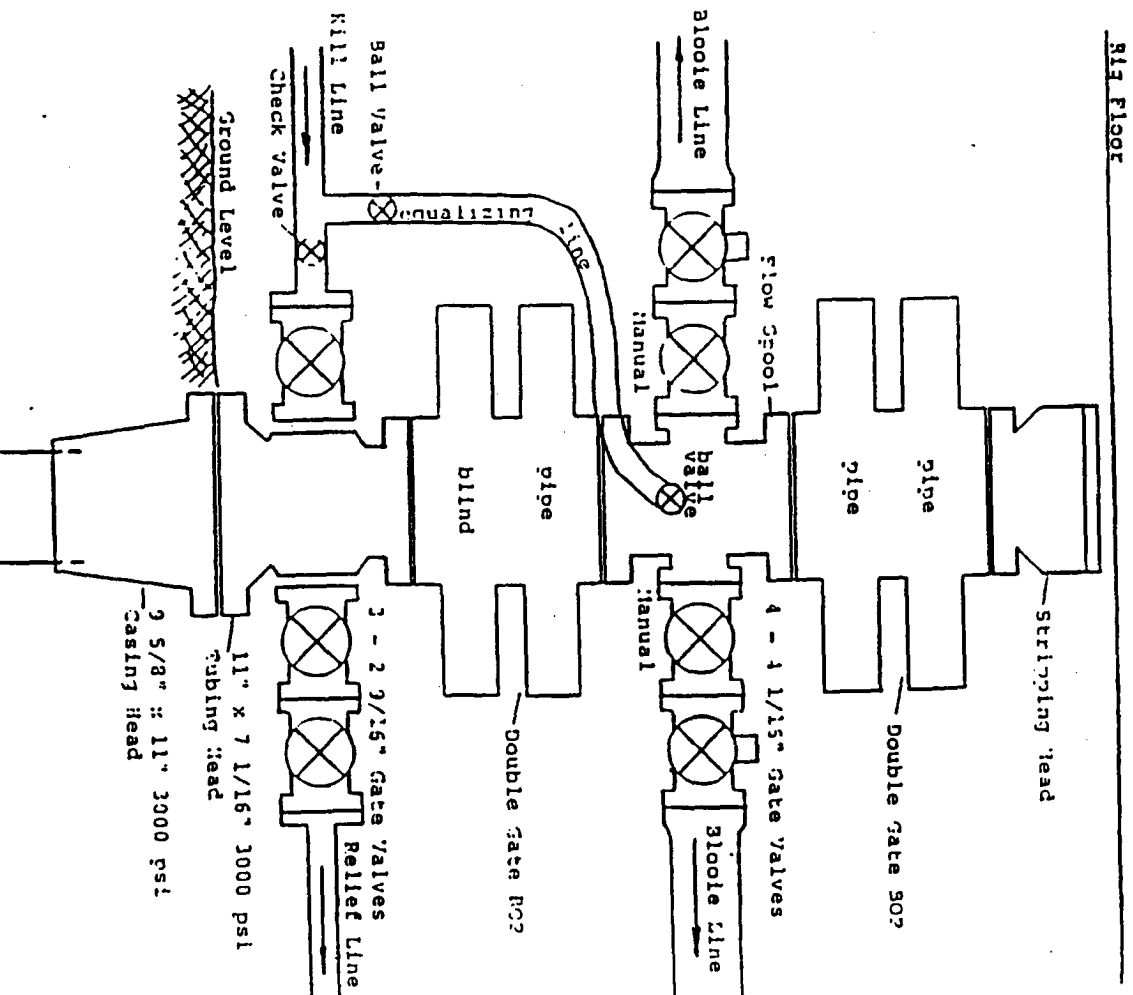
TYPICAL B.O.P.E. INSTALLATION
FOR A FRUITLAND COAL WELL
(to intermediate TD)



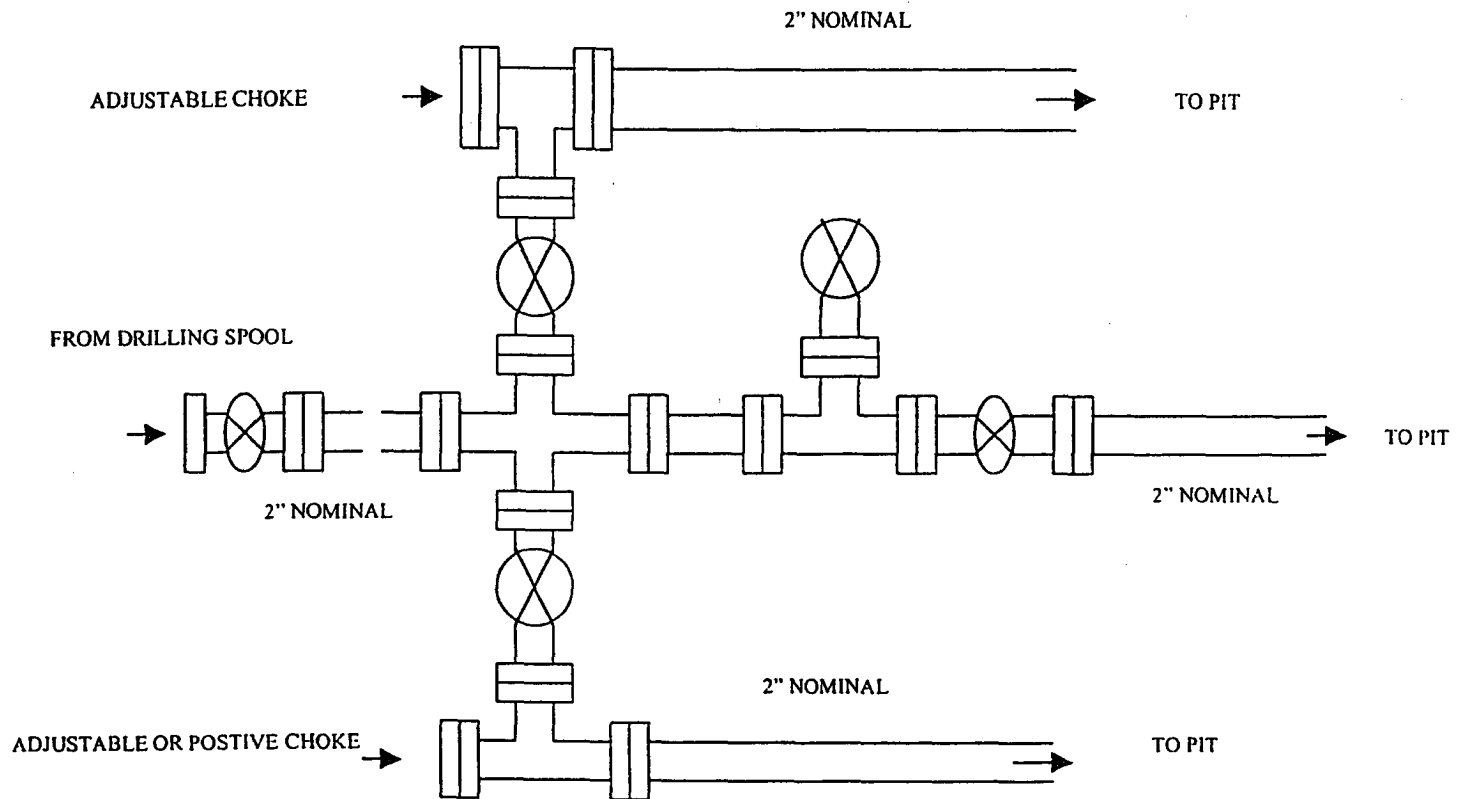
Series 900 double gate BOP
Rated at 3000 psi working pressure

Figure #2

FRUITLAND COAL WELL
TYPICAL BOP CONFIGURATION
7 1/16" 3000 psi (minimum) BOP STACK
(from intermediate to total depth)



ENERGEN RESOURCES CORPORATION
Choke Manifold Configuration
2M psi System



Minimum choke manifold installation from surface to Total Depth.
2" minimum, 2000 psi working pressure equipment with two chokes.