

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: Jan 21, 2014

Application Type:

- P&A
 Drilling/Casing Change
 Recomplete/DHC
 Location Change
 Other: Squeeze casing leak, return to production

Well information:

| API WELL # | Well Name | Well # | Operator Name | Type | Stat | County | Surf_Owner | UL | Sec | Twp | N/S | Rng |
|--------------------|-------------|--------|-------------------------------|------|------|----------|------------|----|-----|-----|-----|-----|
| 30-045-23536-00-00 | NYE FEDERAL | 001M | ENERGEN RESOURCES CORPORATION | G | A | San Juan | F | P | 20 | 31 | N | 12 |

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations

Notify NMOCD 24 hours prior to pressure test of squeeze.

NMOCD Approved by Signature

FEB 03 2014

Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS **JAN 21 2014**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2

| | | |
|---|--|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NM-080281 |
| 2. Name of Operator Energen Resources | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 2010 Afton Place, Farmington, NM 87401 | 3b. Phone No. (include area code) 505-325-6800 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 870' FSL, 1015' FEL, Sec. 20, T31N, R12W, NMPM (P) SE/SE | | 8. Well Name and No. Nye Federal 1M |
| | | 9. API Well No. 30-045-23536 |
| | | 10. Field and Pool, or Exploratory Area Blanco Mesaverde/ Basin Dakota |
| | | 11. County or Parish, State San Juan NM |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|--|---|---|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation |
| <input type="checkbox"/> Final Abandonment Notice | <input checked="" type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal |
| | | | <input type="checkbox"/> Water Shut-Off |
| | | | <input type="checkbox"/> Well Integrity |
| | | | <input type="checkbox"/> Other _____ |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

RCVD. JAN 23 14
OIL CONS. DIV.
DIST. 3

- MOL. Record pressures.
- TOOH w/tbng.
- FU 5.50" RBP and packer and TIH. Set RBP @ 4000' (csng leak reported between 3959' and surface).
- Pressure test RBP to 750 psi. Isolate csng leak using packer and establish injection rate.
- Squeeze csng per service company procedure. WOC.
- Drill out cmnt and pressure test to 600 psi for 30 minutes.
- TIH w/production tbng. RDMO.

This will be a closed loop operation.

| | |
|---|-----------------------------------|
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Collin Placke | Title District Engineer |
| Signature <i>Collin Placke</i> | Date 01/21/14 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | |
|---|-----------------------------|
| Approved by Original Signed: Stephen Mason | Title JAN 22 2014 |
| Conditions of approval, if any, are attached. Approval of this notice 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. | Office |

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, 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.

NMOCDA