Form C-103 State of New Mexico Submit 3 Copies To Appropriate District Office Energy, Minerals and Natural Resources May 27, 2004 District 1 WELL API NO. 1625 N. French Dr., Hobbs, NM 87240 30-045-33147 District II OIL CONSERVATION DIVISION 1301 W. Grand Ave., Artesia, NM 88210 5. Indicate Type of Lease 1220 South St. Francis Dr. District III STATE FEE 😠 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 District IV 6. State Oil & Gas Lease No. 1220 S. St. Francis Dr., Santa Fe, NM 87505 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name. (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A Kutz 29-9-19 DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 8. Well Number SEP 201016 1. Type of Well: THE LIE WILL Oil Well Gas Well X Other 2. Name of Operator 9. OGRID Number Energen Resources Corporation 162928 1181. 3. Address of Operator 10. Pool name or Wildcat Basin Fruitland Coal 2198 Bloomfield Highway, Farmington, NM 87401 4. Well Location 2505 **1970** Unit Letter _ feet from the North line and feet from the line Township Section 19 29N Range **NMPM** County San Juan 11. Elevation (Show whether DR, RKB, RT. GR, etc.) 5621' 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 __ Below-Grade Tank: Volume_ Pit Liner Thickness: bbls; Construction Material 12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING TEMPORARILY ABANDON **CHANGE PLANS** COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT **PULL OR ALTER CASING** CASING TEST AND MULTIPLE COMPLETION **CEMENT JOB** schematic attached OTHER: OTHER: squeeze & frac 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. Squeeze off upper lateral, frac lower lateral & frac upper Coals inside 7" casing. Upper lateral window: 2409' - 2417' Lower lateral window: 2672' - 2685' 06/20 - 07/01/06 Squeezed Upper Lateral MIRU workover rig. Blow down well to flow back tank. NDWH. NUBOP. Unseat tbg hanger, TIH, tag 7" casing. PBTD @ 3138', TOH w/2.375" tubing. TIH w/7" RBP & set @ 2506'. Pull 1 stand & dump 2.5 sks on top of RBP. TOH. TIH w/7" RTTS packer & set @ 2223'. Upper lateral window is now isolated. (continued on page 2) 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 belowgrade tank has been will be constructed or closed according to NMOCD guidelines _____, a general permit ____or an (attached) alternative OCD-approved plan X Regulatory Analyst . TITLE_ E-mail address: Type or print name Vicki Donaghey Telephone No. 505-325-6800 SEP 0 6 2006 For State Use Only DEPUTY OIL & GAS INSPECTOR, DIST. & APPROVED BY_

Conditions of Approval, if any:

Kutz 29-9-19 #2 (continued from page 1)

Test annulus to 1000 psi – held ok. Establish rate down tubing into upper lateral window @ 4 bpm @ 500 psi. Pumped Upper Lateral squeeze as follows:

Pressured annulus to 1000 psi, pumped 50 sks cement @ 2 bpm @ 620 psi, displace cement with 15 bbls H2O at max pressure of 630 psi, shut well in with 460 psi. TOH and LD RTTS packer. PU 6.25" bit on 2.375" 4.7# tubing and TIH. Drill cement from 2363' – 2405', pressure test squeeze, pump into squeeze @ 2 bpm, 1200 psi. Set RTTS packer @ 2223'. Load annulus and pressure test to 1000 psi- held ok. RU cement crew, establish rate into squeeze @ 1 bpm @ 1250 psi. Mix and pump 100 sks Class G cement, 0.2% of 1% Veraset, 3% salt @ 15.6# 16.0 #/gal @ 2 bpm, 1450 psi. Displace cement with 14.5 bbls H2O from 2-0.25 bpm, 1600-2600 psi. Hestitated squeeze 1 time with 14.2 bbls, squeeze pressured out @ 2600 psi. Shut tubing valve with 2500 psi. SDFW. TOH & LD packer. PU 6.25" bit on 2.375" 4.7# tubing and TIH. Drill cement from 2248'-2420', pressure test squeeze to 500 psi-held ok. CO to RBP @ 2506'. RD power swivel, TOH with BHA and tubing.

07/04-08/15/06 Frac Lower Lateral & Upper Coals in 7" Motherbore

Unset RTTS packer @ 2223' and reset @ 2695' (10' below lower lateral window). Clean out lower lateral with air mist. TIH and set 7" frac liner over upper lateral squeeze. RU HES wellhead isolation tool. RU Halliburton and pump 184,736 gals 70Q foam Silverstim LT, 201,000# 20/40 brady sand at an average rate and pressure of 79 bpm @ 2259 psi with a maximum sand concentration of 4.5 ppg. Flow back frac and clean out sand for three days, retrieve frac liner and TOH. Flow back and clean out frac for seven days. Set RBP @ 2630'. Spot 2 sks sand on top of RBP. Perforate upper Fruitland Coal with 3-1/8" slick guns, 4 spf, .45" diameter, 19 gm chg, 37" PEN, total of 106 holes from 2500-08', 2513-21', 2563-66', 2573-76', 2582-85'. RD W/L Co. TIH and set a 7" frac liner over upper lateral squeeze. RU HES wellhead isolation tool. Acidize upper coal perfs with 3000 gals 15% HCL, 150 bio-balls. RU Halliburton and pump 191,679 gals 70Q foam slickwater, 11,200# 40/70 sand and 150,300# 20/40 brady sand at a average rate and pressure of 68 bpm & 2450 psi with a maximum sand concentration of 5 ppg. Flow back frac and clean out sand for two days. Retrieve frac liner and TOH. Flow back and clean out for two days. Retrieve upper RBP, flow back and clean out for nine days, retrieve lower RBP, clean out to 7' Motherbore. PBTD @ 3184'. Ran 86 jts 2.375" tubing, landed @ 2665'. SN @ 2631'. RDMO. Returned well to production.



