

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007


APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SF-079483-A
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator Energen Resources Corporation		7. Unit or CA Agreement Name and No.
3a. Address 2198 Bloomfield Highway Farmington, New Mexico 87401		8. Lease Name and Well No. San Juan 30-4 #300
3b. Phone No. (include area code) (505) 325-6800		9. API Well No. 30-039-30031
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 1605' FSL, 1055' FEL At proposed prod. zone		10. Field and Pool, or Exploratory San Jose
14. Distance in miles and direction from nearest town or post office* 10 miles Northeast of Gobernador, New Mexico		11. Sec., T., R., M., or Blk. and Survey or Area I Sec. 9, T30N, R4W, N.M.P.M.
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 1055'	16. No. of Acres in lease 1178.30	12. County or Parish Rio Arriba
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Approx 60'	19. Proposed Depth 3500'	13. State NM
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7471' GL	22. Approximate date work will start* 10/05/06	17. Spacing Unit dedicated to this well 160 SE/4
23. Estimated duration 10 Days		20. BLM/BIA Bond No. on file

24. Attachments

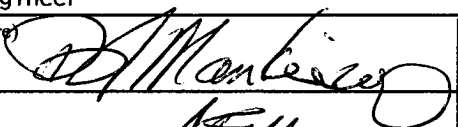
The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 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) Nathan Smith	Date 07/31/06
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Title

Drilling Engineer

Approved by (Signature) 	Name (Printed/Typed) J. Montenegro	Date 10/12/06
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Title

Office

FTD

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 page 2)

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

Please supply pit permit and
H2S safety procedures prior to
commencing operations

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

NMOCD

g

DISTRICT 1
1825 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

DISTRICT II
811 South First, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-30031		*Pool Code 97560	*Pool Name WC30N4W9, FERTILARY GAS
*Property Code 21994	*Property Name SAN JUAN 30-4 Unit		*Well Number 300
*OGRIID No. 162928	*Operator Name ENERGEN RESOURCES CORPORATION		*Elevation 7471'

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
1	9	30N	4W		1605'	SOUTH	1055'	EAST	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
¹³ Dedicated Acres 160			¹² Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.		

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

18

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Nathan S. H.
Signature

Nathan Smith
Printed Name

Drilling Engineer

7/31/06
Date

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.

JUNE 5, 2006

Date of Survey

Signature and Title of Presenting Supervisor

A circular stamp from the Mexican Consulate in San Francisco. The text "MEXICO" is at the top and "CONSULADO" is at the bottom. The date "1900" is in the center.

80

10209

11-11-68

STATE OF NEW YORK

205

DAVID RUSSELL

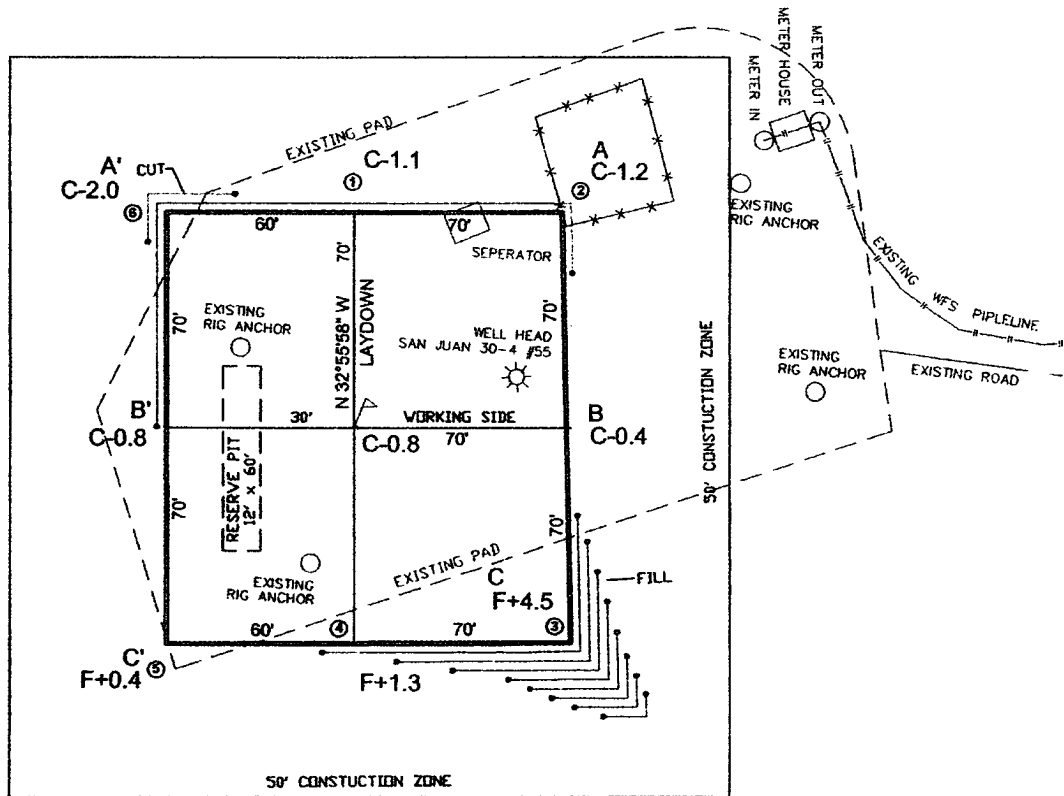
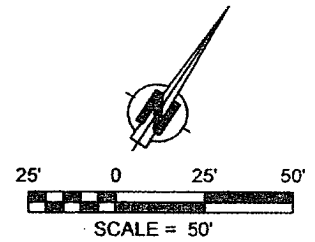
Certificate Number **PROFESSIONAL 10201**

10201

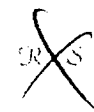
LATITUDE: 36.82333°N
LONGITUDE: 107.25489°W
DATUM: NAD 83

ENERGEN RESOURCES CORPORATION

SAN JUAN 30 - 4 #300
1605' FSL & 1055' FEL
LOCATED IN THE NE/4 SE/4 OF
SECTION 9, T30N, R4W, N.M.P.M.,
RIO ARriba COUNTY, NEW MEXICO
GROUND ELEVATION: 7471', NAVD 88
FINISHED PAD ELEVATION: 7470.2', NAVD 88



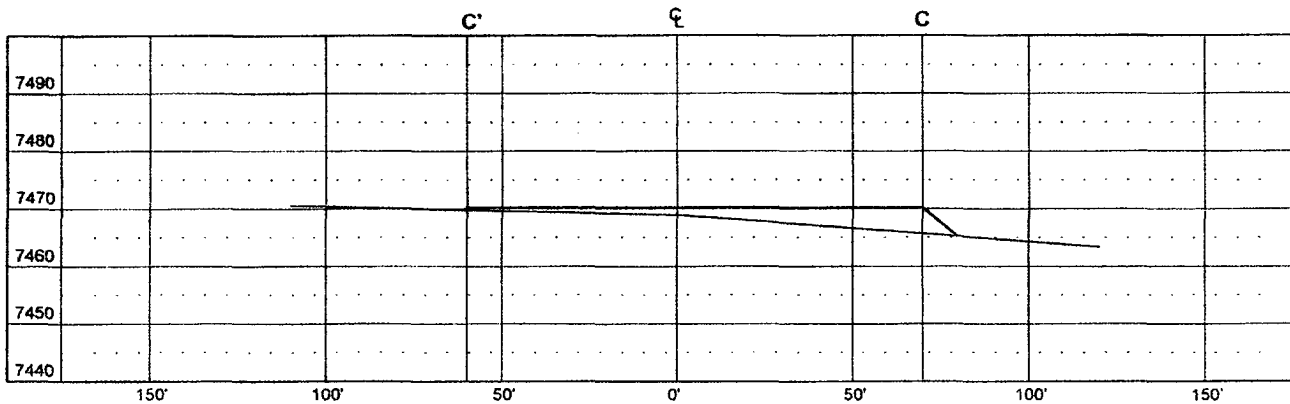
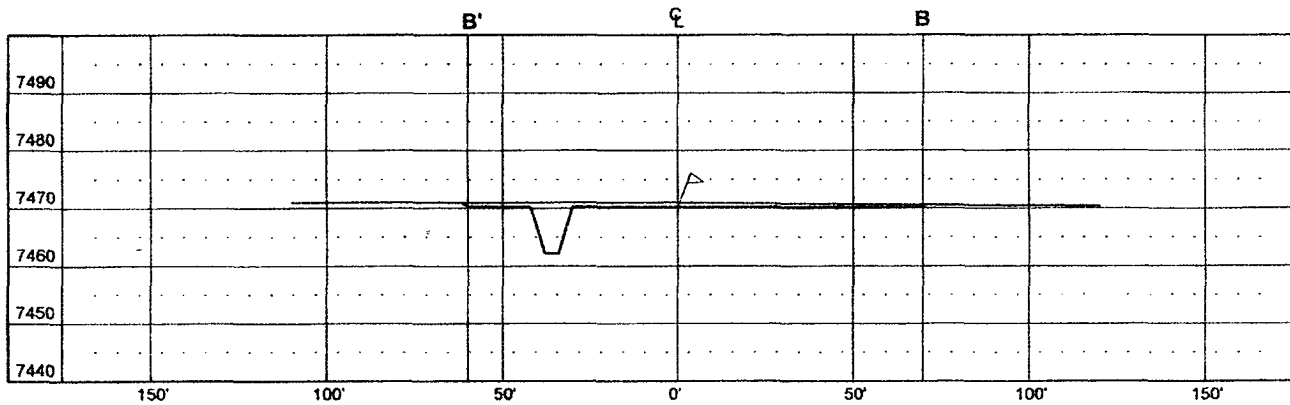
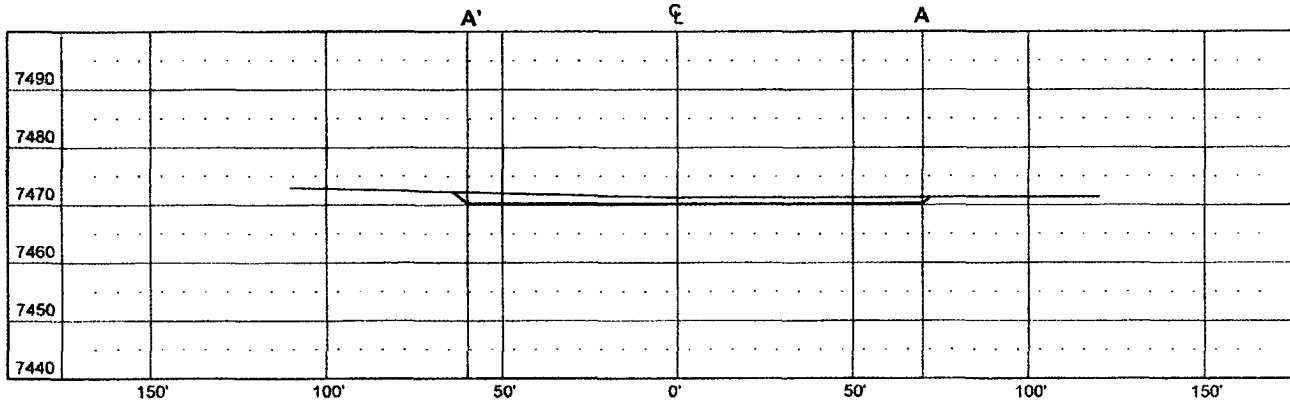
1 FOOT CONTOUR INTERVAL SHOWN
SCALE: 1" = 50'
JOB No.: ERG115
DATE: 07/26/06; REV1



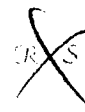
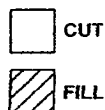
Russell Surveying
1409 W. Aztec Blvd. #5
Aztec, New Mexico 87410
(505) 334-8637

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VERT. SCALE: 1" = 30'
 HORZ. SCALE: 1" = 50'
 JOB No.: ERG115
 DATE: 07/26/06; REV1



Russell Surveying
 1409 W. Aztec Blvd. #5
 Aztec, New Mexico 87410
 (505) 334-8637

Operations Plan

June 8, 2006

San Juan 30-4 #300

General Information

Location (Will twin the San Juan 30-4 #55)

1105 *1055*
~~1625'~~ fsl, ~~1110'~~ fel
nese S9, T30N, R4W
Rio Arriba, New Mexico

Elevations

7472' GL

Total Depth

3500' (MD)

Formation Objective

San Jose

Formation Tops

San Jose

Surface

Nacimiento

2589'

Ojo Alamo Ss

3630'

Kirtland

3824'

Total Depth

3500'

Drilling

The 8 3/4" wellbore will be drilled with a fresh water spud mud system.

The 6 1/4" wellbore will be drilled with a low solids fresh water/polymer mud system. Weighting materials will be drill cuttings and, if needed, barite. Mud density is expected to range from 8.3 ppg to 8.9 ppg.

Blowout Control Specifications:

A 2000 psi minimum double ram or annulus BOP stack (figure 1) will be used following nipple up of casing head. A 2" nominal, 2000 psi minimum choke manifold will also be used. An upper Kelly Cock valve handle and drill string valve should be available to fit each drill string and be available on the rig floor during drilling operations.

Logging Program:

Open hole logs: Induction/Gamma Ray and Density Logs

Coring: None

Surveys: Surface and/or every 300' to TD

Tubulars

Casing, Tubing, & Casing Equipment:

String	Interval	Wellbore	Casing	Csg Wt	Grade
Surface	0'-200'	8 3/4"	7"	23.0 ppf	J-55 LT&C
Production	200'-3500'	6 1/4"	4 1/2"	11.6 ppf	J-55 LT&C
Tubing	0'-1350'		2 3/8"	4.7 ppf	J-55

Casing Equipment:

Surface Casing: Depending on wellbore conditions, a Guide Shoe on bottom. Casing centralization with standard bow spring centralizers to achieve optimal standoff.

Production Casing: Depending on wellbore conditions, a Cement nose guide shoe with self fill insert float collar on top of bottom joint and casing centralization with standard bow spring centralizers to optimize standoff.

Cementing

Surface Casing: 60 sks Std (class B) with 2.0 % CaCl₂ and 1/4 #/sk Flocele (15.6 ppg, 1.18 ft³/sk 71 ft³ of slurry, 100% excess to circulate to surface). WOC 12 hours. Pressure test surface casing to 600 psi for 30 min.

Production Casing: Before cementing, circulate hole at least 1 1/2 hole volumes of mud and reduce funnel viscosity to minimum to aide in hole cleanout. Depending on wellbore conditions, cement may consist of 300 sks 65/35 with 6.0 % Bentonite, 2.0 % CaCl₂, 10 #/sk Gilsonite, and 1/2 #/sk Flocele (12.3 ppg, 1.96 ft³/sk) and a tail of 100 sks of Standard (Class B) cement with 5.0 #/sk Gilsonite, and 1/4 #/sk Flocele (15.2ppg, 1.24 ft³/sk). (712 ft³ of slurry, +100 % excess to circulate to surface).

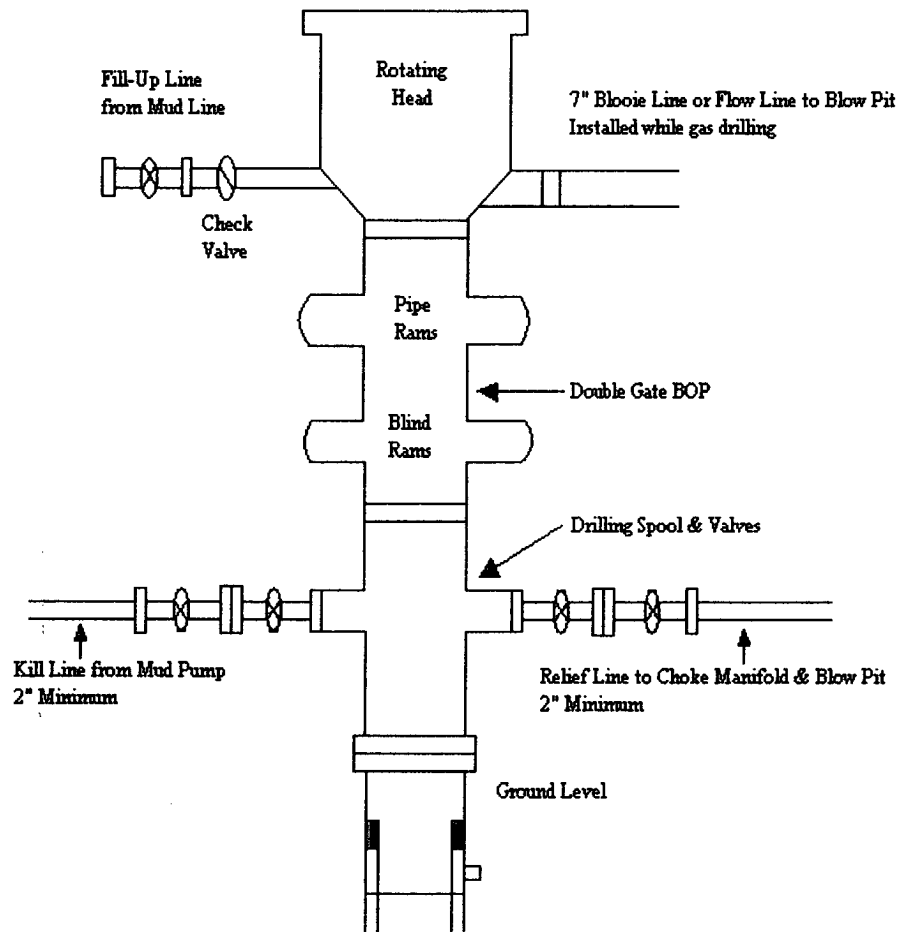
Pump a 10 bbls water, 20 bbls gelled water, 5 bbls water spacer ahead of cement

Other Information

- 1) This well will be cased and the San Jose fracture stimulated.
- 2) If lost circulation is encountered, sufficient LCM will be added to the mud system to maintain well control. The production string may need to be cemented in multiple stages with a slurry design deviated from that listed above.
- 3) If high reservoir pressures or water flows are encountered slurry design may need to be deviated to from those listed above to satisfy wellbore and formation conditions.
- 4) No abnormal temperatures or pressures are anticipated.
- 5) This gas is dedicated.

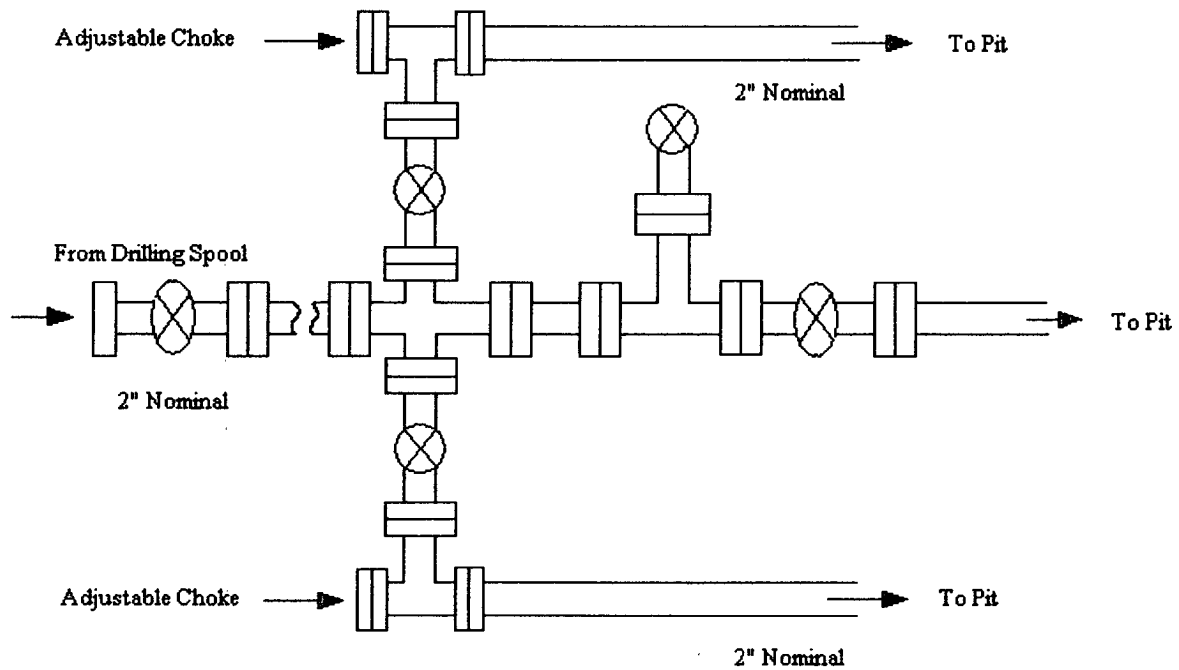
Energen Resources Corporation

Typical BOP Configuration for Gas Drilling



Energen Resources Corporation

Typical 2000 psi Choke Manifold Configuration



Choke manifold installed from surface to TD