

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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 reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Energen Resources Corporation

3a. Address

2010 Afton Place, Farmington, NM 87401

3b. Phone No. (include area code)

(505) 325-6800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2180' FNL and 190' FEL of Sec 27 TNW 32N RNG 6W

5. Lease Serial No.

NMNM078422C

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

NMNM 78422C

8. Well Name and No.

San Juan 32-5 unit
116S

9. API Well No.

30-039-30337

10. Field and Pool, or Exploratory Area
Basin fruitland Coal

11. County or Parish, State

Rio Arriba NM

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

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☒ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ 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 recompleat 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 recompleat 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.)

The well San Juan 32-5 Unit 116S will be drilled in the next 30 days on BLM land as noted above. The productive zone in this well is located on a private mineral lease and as such this well was permitted through the New Mexico Oil Conservation Division with the APD approved on 8/31/07.

9 5/8" 32.3# H-40 surface casing will be set at 200' and cemented to surface.

7" 23# K-55 production casing will be set and 4810' and cemented to surface.

Two 4 1/2" 11.6# K-55 production liners will be dropped 2'-3' outside of windows at 4585'-4595' and 4361'-4371'.

A copy of the Well Location and Acreage Dedication Plat and the APD are attached.

RCVD JUN 17 '08
OIL CONS. DIV.
DIST. 3

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Devin Mills

Title

Drilling Engineer

Date 3/24/08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

Date

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.

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.

NMOC

State of New Mexico
Energy, Minerals & Natural Resources

Form C-101
May 27, 2004

District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S St. Francis Dr., Santa Fe, NM 87505

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

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Energen Resources Corporation 2198 Bloomfield Highway Farmington, New Mexico 87401		² OGRID Number 162928
⁴ Property Code 21996	⁵ Property Name San Juan 32-5 Unit	³ API Number 30-039-30337
⁹ Proposed Pool 1 BASIN FRUITLAND COAL		¹⁰ Proposed Pool 2 RCVD AUG 22 '07

⁷ Surface Location								OIL CONS. DIV.	
UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
H	27	32N	6W		2180	North	190	East	Rio Arriba

⁸ Proposed 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
E	27	32N	6W		1700	North	760	West	Rio Arriba

Additional Well Location				
¹¹ Work Type Code New Well	¹² Well Type Code Gas	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code Private	¹⁵ Ground Level Elevation 6412'
¹⁶ Multiple N	¹⁷ Proposed Depth 6370' (MD)	¹⁸ Formation Fruitland Coal	¹⁹ Contractor	²⁰ Spud Date 10/1/07
Depth to ground water >100'		Distance from nearest fresh water well 1000'		Distance from nearest surface water 250'
Pit Liner Synthetic <input type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume 2000 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12.25	9.625	32.3	0-200	125	0
8.75	7	23	0-4810	900	0
6.25	4.5	11.6	4363-6351	0	NA
6.25	4.5	11.6	4587-6371	0	NA
					(505) 325-6800

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

A surface casing will be set to 200' and cemented to surface. An intermediate casing string will be set to 4810' (MD). The 8.75" wellbore will be directionally drilled. Two windows will be milled by setting a whipstock, one from 4585-4595 and one from 4361-4371. After the 1st window is milled (4585-4595), a curve will be directionally drilled and landed in the lower FC. A 4.5" pre-drilled liner will be ran into this lateral and dropped off 2-3' outside the 7" intermediate casing window. The same procedure will be followed for the upper window and FC.

NOTIFY AZTEC OCD 24 HRS.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCE-approved plan <input type="checkbox"/> .		PRIOR TO CONSERVATION DIVISION	
Signature: <i>Nathan Smith</i>		Approved by: <i>[Signature]</i>	
Printed name: Nathan Smith		Title:	
Title: Drilling Engineer		Approval Date:	
E-mail Address: nsmith@energen.com		Expiration Date:	
Date: 8/14/07	Phone: 505.325.6800	Conditions of Approval: Attached <input type="checkbox"/> Hold C-104 for Directional Surveys	

P.A.

8-31-07-aw

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised October 12, 2005

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210

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

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

☐ AMENDED REPORT

RCVD AUG 22 '07

OIL CONS. DIV.

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 30-039-30337	'Pool Code 71629	'Pool Name BASIN FRUITLAND COAL
'Property Code 21996	'Property Name SAN JUAN 32-5 UNIT	'Well Number 116 S
'GRID No. 162928	'Operator Name ENERGEN RESOURCES CORPORATION	'Elevation 6412'

¹⁰ Surface Location

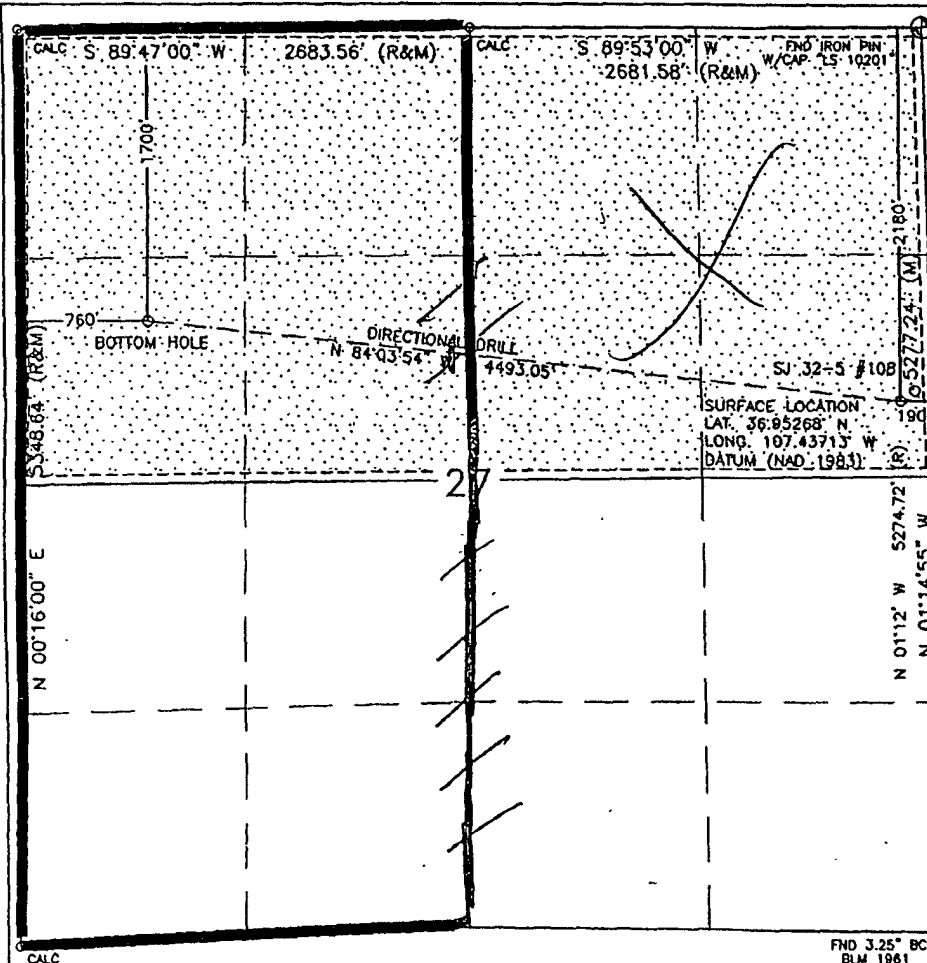
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	27	32N	6W		2180'	NORTH	190'	EAST	RIO ARRIBA

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
E	27	32N	6W		1700'	NORTH	760'	WEST	RIO ARRIBA
'Dedicated Acres W/2 320			'Joint or Infill		'Consolidation Code		'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

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¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner or a compulsory pooling order heretofore entered by the division.

Nathan Smith 8/14/07
Signature Date

Nathan Smith
Printed Name

¹⁸ SURVEYOR CERTIFICATION

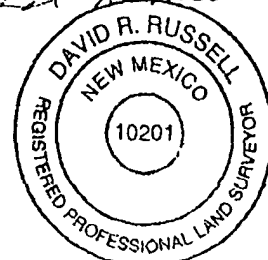
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MAY 2, 2007

Date of Survey

Signature and Seal of Professional Surveyor:

David R. Russell



DAVID RUSSELL

Certificate Number

10201