Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
MAR 30 2010
Bureau of Land Management
Farmington Field Office

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

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 page 2*

5. Lease Serial No.
NMSF-079483

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
Carson # 403

2. Name of Operator
Energen Resources Corporation

9. API Well No.
30-039-30675

3a. Address
2010 Afton Place, Farmington, NM 87401

3b. Phone No. (*include area code*)
(505) 325-6800

10. Field and Pool, or Exploratory Area
Pictured Cliffs

4. Location of Well (*Footage, Sec., T., R., M., or Survey Description*)
SHL: Sec.8, T30N, R04W 1785' FNL & 1240' FEL
BHL: Sec.7, T30N, R04W 1700' FNL & 760' FWL

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	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☒ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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.)

Energen Resources would like to make the following changeS to the Carson #403. The changes will be as follows:

* Change int. casing setting depth to 2000' MD, change grade to H-40 and cement with 1062sx
* Change 2nd int. to long string from 0' - 5660' MD

Attached is a revised operations plan.

RCVD APR 6 '10
OIL CONS. DIV.
DIST. 3

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Hold C104
for Directional Survey
and "As Drilled" plat

14. I hereby certify that the foregoing is true and correct
Name (*Printed/Typed*) Devin Mills
Title Drilling Engineer
Signature [signature]
Date 3/30/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by [signature]
Title AFM
Date 4/5/2010
Office FFO

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.

NMOCD

3/30/2010

ENERGEN RESOURCES

OPERATIONS PLAN

WELL NAME.....Carson #403
JOB TYPE.....Horizontal PC Lower Sand
DEPT.....Drilling and Completions

GENERAL INFORMATION

Surface Location	1785 FNL 1240' FEL
S-T-R	(E) Sec.8, T30N, R04W
Bottom Hole Location	1700 FNL 760 FWL
S-T-R	(L) Sec.7, T30N, R04W
County, State	Rio Arriba, New Mexico
Elevations	7264' GL
Total Depth	11214' +/- (MD); 4316' (TVD)
Formation Objective	Pictured Cliffs

FORMATION TOPS

San Jose	Surface
Nacimiento	2300' (TVD)
Ojo Alamo Ss	3407' (TVD)
Kirtland Sh	3600' (TVD)
Fruitland Fm	3665' (TVD)
Top Coal	3980' (TVD) 4280'MD
Upper PC	4042' (TVD) 4403'MD
Lower PC	4246' (TVD) 5026' MD
Total Depth	**4316' (TVD), 11214' (MD)**

DRILLING

Conductor: 17 ½" wellbore will be drilled with a freshwater mud system (spud mud)
Surface: 12 ¼" wellbore will be drilled with a fresh water mud system (spud mud).
Intermediate: 8 ¾" wellbore will be drilled with a LSND mud system. Weighting materials will be drill cuttings and if needed barite. Mud density is expected to range from 8.4 ppg to 9.0 ppg.
Production: 6 ¼" wellbore will be drilled with a fresh water or brine water system depending on reservoir characteristics. Anticipated BHP can be as high as 800 psi. ✓

Projected KOP is 2400' TVD with 3.06°/100' doglegs.

Blowout Control Specifications:
A 3000 psi minimum double ram or annulus BOP stack 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. **Pressure test BOP to 250 psi for 15 min and 2000 psi for 15 min.**

Logging Program:
Open hole logs: none.
Mudlogs: 3600' TVD, 4000' MD to TD
Surveys: Surface to KOP every 500' and a minimum of every 200' for directional.

3/30/2010

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CASING, TUBING & CASING EQUIPMENT

String	Start Depth	End Depth	Wellbore	Size	Wt	Grade
Conductor	0	200	17 ½"	13-3/8"	48 lb/ft	H-40 ST&C
Surface	0	2000	12 ¼"	9-5/8"	36 lb/ft	H-40 ST&C
Intermediate TVD	0 0	5660 4276	8 ¾"	7"	23 lb/ft	J-55 LT&C
Prod. Liner TVD	5460 4274	11214 4316	6 ¼"	4 ½"	11.6 lb/ft	L-80 LT&C
Tubing	0	5000	none	2-3/8"	4.7 lb/ft	J-55

Conductor Casing: Texas Pattern Guide Shoe on bottom of first joint and an insert float valve on top of first joint. Casing centralization with a minimum of 3 standard bow spring centralizers to achieve optimal standoff.

Surface Casing: Texas Pattern Guide Shoe on bottom of first joint and an insert float valve on top of first joint. Casing centralization with a minimum of 3 standard bow spring centralizers to achieve optimal standoff.

Intermediate Casing: Self fill float shoe with self fill float collar on bottom and top of first joint. Casing centralization with double bow spring and centralizers to optimize standoff.

Production Liner: Bull nose guide shoe on bottom of first joint, H-Latch liner drop off tool on top of last joint.

WELLHEAD

11" 3000 x 13 3/8" weld/slip on casing head. 11" x 9 5/8"x 4 ½" 3000 psi Flanged Wellhead .

CEMENTING

Conductor Casing: 135 sks Type G with 2.0 % $CaCl_2$ and ¼ #/sk Flocele (15.6 ppg, 1.18 ft^3/sk 158 ft^3 of slurry, 20% excess to circulate to surface). WOC 12 hours. Pressure test conductor casing to 750 psi for 30 min. Test to 250 psi for 15 min and 1200 for 15 min.

^ BOPE

Surface Casing: 1062 sks Type V with 2.0 % $CaCl_2$ and ¼ #/sk Flocele (15.6 ppg, 1.18 ft^3/sk ~~500 ft^3~~ of slurry, 100% excess to circulate to surface). WOC 12 hours. Pressure test surface casing to 750 psi for 30 min.

. 1250 ft^3

Intermediate Casing: Circulate hole at least 1-1/2 hole volumes of mud and reduce funnel viscosity to aid in hole cleanout. Stage 1 to begin at 4300'-5638'.

First Stage: Lead with 135 sks 50/50 with 2.0% Bentonite, 0.30 % Halad – 344, 0.10 % CFR – 3, 5 #/sk Gilsonite, ¼ #/sk Flocele. (13.0 ppg, 1.35 ft^3/sk, 182 ft^3) and a tail of 150 sks Class G with 1.0 % $CaCl_2$ and ¼ #/sk Flocele. (15.6 ppg, 1.18 ft^3/sk, 177 ft^3) (360 ft^3 of slurry, 50% excess to circulate off the stage tool). Circulated 4-5 hours between stages at time plug down on first stage.

Second Stage: Lead with 445 sks 65/35 with 6.0 % Bentonite, 2.0 % $CaCl_2$, 10 #/sk Gilsonite, and ½ #/sk Flocele (12.3 ppg, 1.93 ft^3/sk) and a tail of 150 sks Class G with ¼ #/sk Flocele (15.6

ENERGEN RESOURCES

ppg, 1.18 ft^3/sk). WOC 12 hours. Test BOP as outlined in 'Drilling' section. Test manifold as outlined in 'Drilling' section. Test casing to 1500 psi for 30 min.

Production Liner: NO CEMENT

Set slips with full string weight
If cement does not circulate, run temperature survey in 8 hrs. to determine TOC.

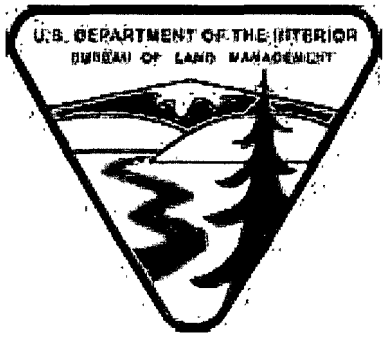
OTHER INFORMATION

1) This well will be an open hole completion lined with an uncemented pre-drilled liner.
2) If lost circulation is encountered, sufficient LCM will be added to the mud system to maintain well control. The intermediate 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.

DRILLING CONDITIONS OF APPROVAL

Operator: **Energen Resources**
Lease No.: **NMSF-079483**
Well Name: **Carson #403**
Well Location: **Sec.8, T30N, R4W; 1785' FNL & 1240' FEL**

1) Centralizers to impart a swirling action around the casing (such as turbolators) are required just below and into the base of the lowest usable water zone.



After hour contact: Troy Salyers 505-360-9815