

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

AUG 27 2010

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

Farlington Field Office

SUBMIT IN TRIPLICATE - Other instructions on page 2

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

2. Name of Operator
Energen Resources Corporation

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Surface Location: Sec 26-T32N-R06W; 955 FNL, 2105 FWL
Bottom Hole Location: Sec 26-T32N-R06W; 1100 FNL, 100 FWL

5. Lease Serial No.

NMSF 079011

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
San Juan 32-5 Unit

8. Well Name and No.
San Juan 32-5 Unit 106S

9. API Well No.
30-039-27266

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 ☐ Deepen ☐ Production (Start/Resume) ☐ Water Shut-Off
☐ Alter Casing ☐ Fracture Treat ☐ Reclamation ☐ Well Integrity
☐ 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 recomple 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 recomple 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 change plans on the San Juan 32-5 Unit #106S sidetrack as follows:

*Set a plug and whipstock at 2716' TVD and mill a window from 2696' - 2702'.

*Drill a curve and horizontal lateral to a MD of 4893' (3024' TVD) with a BHL of 1100 FNL, 100 FWL.

*Line the lateral with a perforated 4 1/2", 11.60 ppf, J-55 LTC liner string, just as mentioned on previous approved sundry.

*A 2-3/8" tubing string will be landed at 3000' TVD in the 7" casing.

RCVD SEP 17 '10

OIL CONS. DIV.

Attached is a revised operations plan and directional plan depicting these changes.

DIST. 3

Hold C104

for Directional Survey
and "As Drilled" plat

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

Stephen Byers

Title Drilling Engineer

Signature

Stephen Byers

Date 8/25/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

SEP 14 2010

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

NMOCd

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.

8/27/2010



OPERATIONS PLAN

WELL NAME.....San Juan 32-5 Unit #106S
JOB TYPE.....Re-entry Sidetrack
DEPT.....Drilling and Completions
RIG.....D & J #1
PREPARED BY.....Stephen Byers

General Information

Surface Location	955 FNL 2105 FWL
S-T-R	(C) Sec.26, T32N, R6W
Bottom Hole Location	1100 FNL 100 FWL
S-T-R	(D) Sec.26, T32N, R6W
County, State	Rio Arriba, New Mexico
Elevations	6364' GL
Total Depth	4893' +/- (MD); 3024' (TVD)
Formation Objective	Basin Fruitland Coal

Formation Tops

Fruitland Fm	2995' (TVD)
Target Coal	3024' (TVD)
Total Depth	3024' (TVD), 4893' +/- (MD)

Drilling

1. Set whipstock on top of the composite bridge plug left by the workover rig.
2. Orientate the whipstock at an azimuth of 266°. KOP is 2696'
3. Run in hole with a 6-1/4" milling assembly and mill window and 30' of formation
4. Pick up 6-1/4" directional tools and follow attached directional plan
 - a. The build section will be drilled with and LSND or polymer and water as directed by the mud engineer.
 - b. The mud density range for the lateral section should range from 8.5-8.8 ppg based on offset data.
5. Pull out of hole. If problems are encountered before reaching the window run back to bottom and condition well for casing run. If problems are encountered continue pulling out and pick up a cleanout assembly.
6. Prior to running liner and hook hanger system, trip in hole and retrieve whipstock.
7. Run 4-1/2" 11.6# J-55 pre-drilled liner and hanger system through window.

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: From KOP to TD.
Coring: None
Surveys: Every 250' while directional drilling to TD.

8/27/2010



Casing, Tubing, & Casing Equipment

<u>String</u>	<u>Interval</u>	<u>Wellbore</u>	<u>Size</u>	<u>Wt</u>	<u>Grade</u>
Production	2696'-4893' MD 3024' TVD	6 1/4"	4 1/2"	11.6 lb/ft	J-55 LT&C
Tubing	0'- 3100' MD	7"	2 3/8"	4.7 lb/ft	J-55

Casing Equipment:

Production Liner: Bull nose guide shoe on the bottom of the first joint. Perforated liner to be run in producing interval. Blank or non-perforated joints from the landing point up to the milled window.

Wellhead

3000 psi 11" x 9 5/8" casing head. 9 5/8" x 7" x 2 3/8" 5000psi Flanged wellhead.

Cementing

Production: Open Hole Completion – NO CEMENT

Other Information

- 1) This well will be an open hole completion
- 2) If lost circulation is encountered, sufficient LCM will be added to the mud system to maintain well control.
- 3) No abnormal temperatures or pressures for the region are anticipated.
BHP can be as high as 1500 psi.
- 4) This gas is dedicated.



R E S O U R C E S

Energen Resources Corp.

SJBR Sec 26-T32N-R06W

Eul Canyon

San Juan 32-5 Unit #106S

Sidetrack Wellbore #1

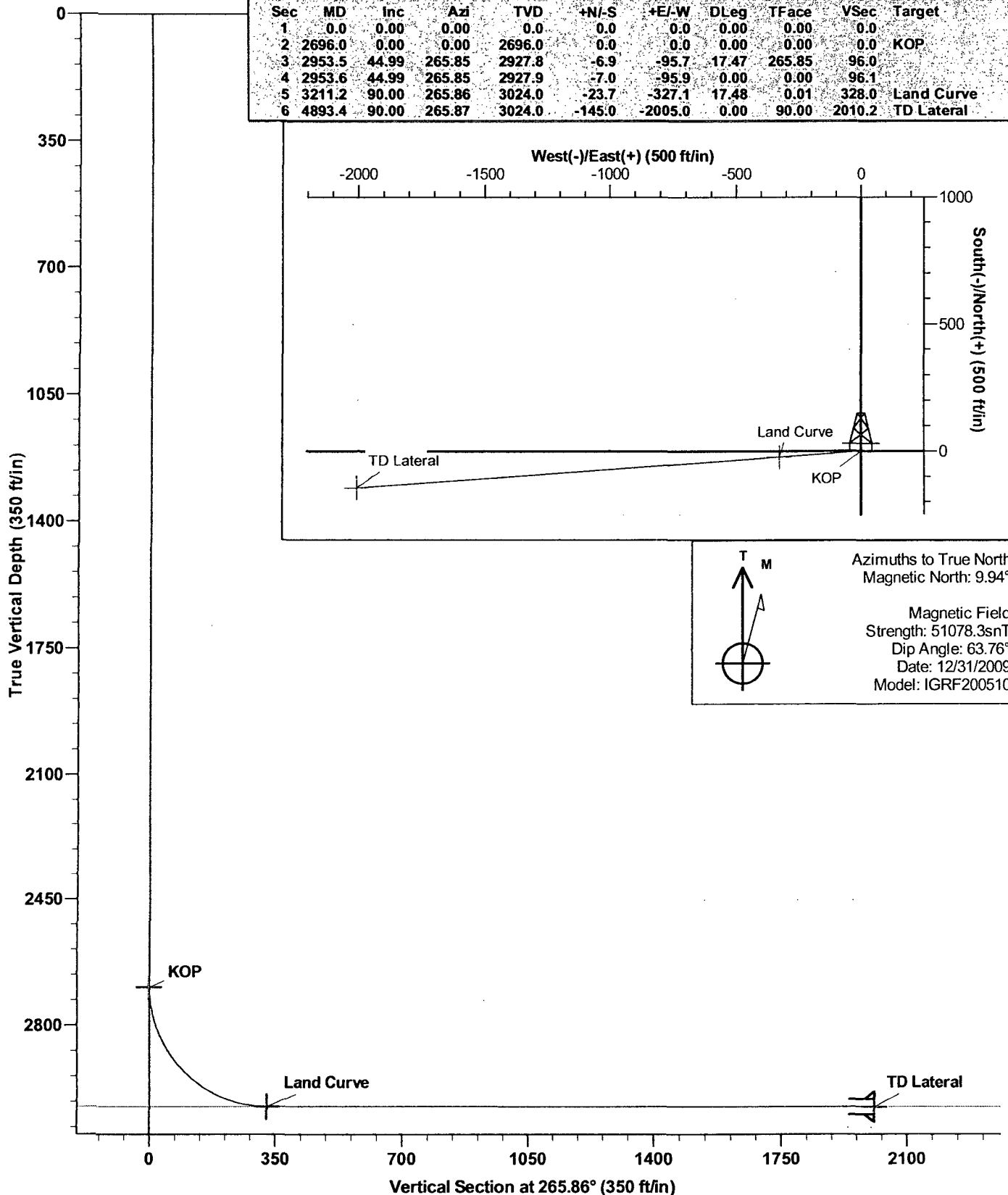
Plan: Sidetrack Plan #3

DIRECTIONAL PLAN

26 August, 2010

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	2696.0	0.00	0.00	2696.0	0.0	0.0	0.00	0.00	0.0	KOP
3	2953.5	44.99	265.85	2927.8	-6.9	-95.7	17.47	265.85	96.0	
4	2953.6	44.99	265.85	2927.9	-7.0	-95.9	0.00	0.00	96.1	
5	3211.2	90.00	265.86	3024.0	-23.7	-327.1	17.48	0.01	328.0	Land Curve
6	4893.4	90.00	265.87	3024.0	-145.0	-2005.0	0.00	90.00	2010.2	TD Lateral



Energen

DIRECTIONAL PLAN

Company: Energen Resources
Project: SJBR Sec 26-T32N-R06W
Site: Eul Canyon
Well: San Juan 32-5 Unit #106S
Wellbore: Sidetrack Wellbore #1
Design: Sidetrack Plan #3

Local Co-ordinate Reference: Well San Juan 32-5 Unit #106S
TVD Reference: KB @ 6379.0ft (KB)
MD Reference: KB @ 6379.0ft (KB)
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.16 Single User Db

Project	SJBR Sec 26-T32N-R06W		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Central Zone		

Site	Eul Canyon				
Site Position:		Northing:	2,169,440.39 ft	Latitude:	36° 57' 21.924 N
From:	Lat/Long	Easting:	1,296,030.74 ft	Longitude:	107° 25' 43.284 W
Position Uncertainty:	0.0 ft	Slot Radius:	"	Grid Convergence:	-0.71 °

Well	San Juan 32-5 Unit #106S					
Well Position	+N/-S	0.0 ft	Northing:	2,169,440.39 ft	Latitude:	36° 57' 21.924 N
	+E/-W	0.0 ft	Easting:	1,296,030.74 ft	Longitude:	107° 25' 43.284 W
Position Uncertainty		0.0 ft	Wellhead Elevation:	6,364.0 ft	Ground Level:	6,364.0 ft

Wellbore	Sidetrack Wellbore #1				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	12/31/2009	9.94	63.76	51,078

Design	Sidetrack Plan #3			
Audit Notes:				
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.0
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.0	0.0	0.0	265.86

Survey Tool Program	Date 8/26/2010			
From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description
0.0	4,893.4	Sidetrack Plan #3 (Sidetrack Wellbore #1)	MWD	MWD - Standard

Planned Survey							
MD (ft)	TVD (ft)	Inc (°)	Azi (°)	Build (°/100ft)	N/S (ft)	E/W (ft)	V. Sec (ft)
0.0	0.0	0.00	0.00	0.00	0.0	0.0	0.0
100.0	100.0	0.00	0.00	0.00	0.0	0.0	0.0
200.0	200.0	0.00	0.00	0.00	0.0	0.0	0.0
300.0	300.0	0.00	0.00	0.00	0.0	0.0	0.0
400.0	400.0	0.00	0.00	0.00	0.0	0.0	0.0
500.0	500.0	0.00	0.00	0.00	0.0	0.0	0.0
600.0	600.0	0.00	0.00	0.00	0.0	0.0	0.0
700.0	700.0	0.00	0.00	0.00	0.0	0.0	0.0
800.0	800.0	0.00	0.00	0.00	0.0	0.0	0.0
900.0	900.0	0.00	0.00	0.00	0.0	0.0	0.0
1,000.0	1,000.0	0.00	0.00	0.00	0.0	0.0	0.0
1,100.0	1,100.0	0.00	0.00	0.00	0.0	0.0	0.0

Energen

DIRECTIONAL PLAN

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Survey Calculation Method: Minimum Curvature
Database: EDM 2003.16 Single User Db

Planned Survey

MD (ft)	TVD (ft)	Inc (°)	Azi (°)	Build (°/100ft)	N/S (ft)	E/W (ft)	V. Sec (ft)
1,200.0	1,200.0	0.00	0.00	0.00	0.0	0.0	0.0
1,300.0	1,300.0	0.00	0.00	0.00	0.0	0.0	0.0
1,400.0	1,400.0	0.00	0.00	0.00	0.0	0.0	0.0
1,500.0	1,500.0	0.00	0.00	0.00	0.0	0.0	0.0
1,600.0	1,600.0	0.00	0.00	0.00	0.0	0.0	0.0
1,700.0	1,700.0	0.00	0.00	0.00	0.0	0.0	0.0
1,800.0	1,800.0	0.00	0.00	0.00	0.0	0.0	0.0
1,900.0	1,900.0	0.00	0.00	0.00	0.0	0.0	0.0
2,000.0	2,000.0	0.00	0.00	0.00	0.0	0.0	0.0
2,100.0	2,100.0	0.00	0.00	0.00	0.0	0.0	0.0
2,200.0	2,200.0	0.00	0.00	0.00	0.0	0.0	0.0
2,300.0	2,300.0	0.00	0.00	0.00	0.0	0.0	0.0
2,400.0	2,400.0	0.00	0.00	0.00	0.0	0.0	0.0
2,500.0	2,500.0	0.00	0.00	0.00	0.0	0.0	0.0
2,600.0	2,600.0	0.00	0.00	0.00	0.0	0.0	0.0
2,696.0	2,696.0	0.00	0.00	0.00	0.0	0.0	0.0
				KOP			
2,700.0	2,700.0	0.70	265.85	17.47	0.0	0.0	0.0
2,725.0	2,725.0	5.07	265.85	17.47	-0.1	-1.3	1.3
2,750.0	2,749.8	9.44	265.85	17.47	-0.3	-4.4	4.4
2,775.0	2,774.2	13.80	265.85	17.47	-0.7	-9.4	9.5
2,800.0	2,798.3	18.17	265.85	17.47	-1.2	-16.3	16.4
2,825.0	2,821.7	22.54	265.85	17.47	-1.8	-25.0	25.1
2,850.0	2,844.4	26.91	265.85	17.47	-2.6	-35.4	35.5
2,875.0	2,866.2	31.28	265.85	17.47	-3.4	-47.5	47.7
2,900.0	2,887.1	35.65	265.85	17.47	-4.4	-61.3	61.4
2,925.0	2,906.8	40.02	265.85	17.47	-5.6	-76.6	76.8
2,950.0	2,925.3	44.38	265.85	17.47	-6.8	-93.3	93.6
2,953.5	2,927.8	44.99	265.85	17.37	-6.9	-95.7	96.0
2,953.6	2,927.9	44.99	265.85	0.00	-7.0	-95.9	96.1
2,975.0	2,942.5	48.72	265.85	17.48	-8.1	-111.4	111.7
3,000.0	2,958.3	53.09	265.85	17.48	-9.5	-130.7	131.1
3,025.0	2,972.5	57.46	265.86	17.48	-11.0	-151.2	151.6
3,050.0	2,985.2	61.83	265.86	17.48	-12.5	-172.7	173.2
3,075.0	2,996.1	66.20	265.86	17.48	-14.1	-195.2	195.7
3,100.0	3,005.3	70.57	265.86	17.48	-15.8	-218.3	218.9
3,125.0	3,012.7	74.94	265.86	17.48	-17.5	-242.1	242.8
3,150.0	3,018.3	79.31	265.86	17.48	-19.3	-266.4	267.1
3,175.0	3,022.0	83.67	265.86	17.48	-21.1	-291.1	291.9
3,200.0	3,023.8	88.04	265.86	17.48	-22.9	-316.0	316.8
3,211.2	3,024.0	90.00	265.86	17.51	-23.7	-327.1	328.0
				Target Coal - Land Curve			
3,300.0	3,024.0	90.00	265.86	0.00	-30.1	-415.7	416.8
3,400.0	3,024.0	90.00	265.86	0.00	-37.3	-515.4	516.8
3,500.0	3,024.0	90.00	265.86	0.00	-44.5	-615.2	616.8

Energen

DIRECTIONAL PLAN

Company: Energen Resources
Project: SJBR Sec 26-T32N-R06W
Site: Eul Canyon
Well: San Juan 32-5 Unit #106S
Wellbore: Sidetrack Wellbore #1
Design: Sidetrack Plan #3

Local Co-ordinate Reference: Well San Juan 32-5 Unit #106S
TVD Reference: KB @ 6379.0ft (KB)
MD Reference: KB @ 6379.0ft (KB)
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.16 Single User Db

Planned Survey

MD (ft)	TVD (ft)	Inc (°)	Azi (°)	Build (°/100ft)	N/S (ft)	E/W (ft)	V. Sec (ft)
3,600.0	3,024.0	90.00	265.86	0.00	-51.8	-714.9	716.8
3,700.0	3,024.0	90.00	265.86	0.00	-59.0	-814.7	816.8
3,800.0	3,024.0	90.00	265.86	0.00	-66.2	-914.4	916.8
3,900.0	3,024.0	90.00	265.86	0.00	-73.4	-1,014.1	1,016.8
4,000.0	3,024.0	90.00	265.86	0.00	-80.6	-1,113.9	1,116.8
4,100.0	3,024.0	90.00	265.87	0.00	-87.8	-1,213.6	1,216.8
4,200.0	3,024.0	90.00	265.87	0.00	-95.0	-1,313.4	1,316.8
4,300.0	3,024.0	90.00	265.87	0.00	-102.2	-1,413.1	1,416.8
4,400.0	3,024.0	90.00	265.87	0.00	-109.5	-1,512.8	1,516.8
4,500.0	3,024.0	90.00	265.87	0.00	-116.7	-1,612.6	1,616.8
4,600.0	3,024.0	90.00	265.87	0.00	-123.9	-1,712.3	1,716.8
4,700.0	3,024.0	90.00	265.87	0.00	-131.1	-1,812.1	1,816.8
4,800.0	3,024.0	90.00	265.87	0.00	-138.3	-1,911.8	1,916.8
4,893.4	3,024.0	90.00	265.87	0.00	-145.0	-2,005.0	2,010.2

TD Lateral

Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
KOP - plan hits target - Point	0.00	0.00	2,696.0	0.0	0.0	2,169,440.39	1,296,030.74	36° 57' 21.924 N	107° 25' 43.284 W
TD Lateral - plan hits target - Point	0.00	0.00	3,024.0	-145.0	-2,005.0	2,169,320.20	1,294,024.10	36° 57' 20.490 N	107° 26' 7.985 W
Land Curve - plan hits target - Point	0.00	0.00	3,024.0	-23.7	-327.1	2,169,420.74	1,295,703.37	36° 57' 21.690 N	107° 25' 47.314 W

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (")	Hole Diameter (")
4,893.0	3,024.0	Liner	4-1/2	6-1/4

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
3,211.2	3,024.0	Target Coal		0.00	

Checked By: _____ Approved By: _____ Date: _____