(This space for Federal or State office use)

CONDITIONS OF APPROVAL, IF ANY:

PERMIT NO. -

UNITED STATES DEPARTMENT OF THE INTERIOR

SUBMIT IN TRIPLICATE*

(Other instructions on reverse side)

FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.

BUREAU OF LAND MANAGEMENT APPLICATION FOR PERMIT TO DRILL OR DEEPEN Ia. TYPE OF WORK DRILL X DEEPEN b. TYPE OF WELL OIL GAS X WELL OTHER 2. NAME OF OPERATOR ENERGEN RESOURCES CORPORATION 3. ADDRESS AND TELEPHONE NO. 2198 Bloomfield Highway; Farmington, NM 87401 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 510' FSI 2405' FWI	6. IF INDIAN, ALLOTTEE OR TRIBE NAME 7. UNIT AGREEMENT NAME San Juan 32-5 Unit 8. FARM OR LEASE NAME, WELL NO. San Juan 32-5 Unit 9. API WELL NO. 30-037-26369 10. FIELD AND POOL, OR WILDCAT Blanco Mesaverde 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Nec. 23, T32N, R6W, N.M.P.N. 12. COUNTY OR PARISH Rio Arriba 13. STATE NM
b. TYPE OF WELL OIL WELL OIL WELL OTHER SINGLE X MULTIPLE ZONE NAME OF OPERATOR ENERGEN RESOURCES CORPORATION 3. ADDRESS AND TELEPHONE NO. 2198 Bloomfield Highway; Farmington, NM 87401 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface	San Juan 32-5 Unit 8. FARM OR LEASE NAME, WELL NO. San Juan 32-5 Unit 4R 9. API WELL NO. 30-037-26369 10. FIELD AND POOL, OR WILDCAT Blanco Mesaverde 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 23, T32N, R6W, N.M.P.M. 12. COUNTY OR PARISH 13. STATE
b. TYPE OF WELL OIL GAS X OTHER SINGLE X MULTIPLE 2. NAME OF OPERATOR ENERGEN RESOURCES CORPORATION 3. ADDRESS AND TELEPHONE NO. 2198 Bloomfield Highway; Farmington, NM 87401 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface	San Juan 32-5 Unit 8. FARM OR LEASE NAME, WELL NO. San Juan 32-5 Unit 4R 9. API WELL NO. 30-037-26369 10. FIELD AND POOL, OR WILDCAT Blanco Mesaverde 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 23, T32N, R6W, N.M.P.M. 12. COUNTY OR PARISH 13. STATE
2. NAME OF OPERATOR ENERGEN RESOURCES CORPORATION 3. ADDRESS AND TELEPHONE NO. 2198 Bloomfield Highway; Farmington, NM 87401 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface	9. API WELL NO. 30-037-26369 10. FIELD AND POOL, OR WILDCAT Blanco Mesaverde 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 23, T32N, R6W, N.M.P.M. 12. COUNTY OR PARISH 13. STATE
ENERGEN RESOURCES CORPORATION 3. ADDRESS AND TELEPHONE NO. 2198 Bloomfield Highway; Farmington, NM 87401 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface	10. FIELD AND POOL, OR WILDCAT Blanco Mesaverde 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 23, T32N, R6W, N.M.P.M. 12. COUNTY OR PARISH 13. STATE
3. ADDRESS AND TELEPHONE NO. 2198 Bloomfield Highway; Farmington, NM 87401 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface	10. FIELD AND POOL, OR WILDCAT Blanco Mesaverde 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 23, T32N, R6W, N.M.P.M. 12. COUNTY OR PARISH 13. STATE
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface	Blanco Mesaverde 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 23, T32N, R6W, N.M.P.M. 12. COUNTY OR PARISH 13. STATE
/S 0000 - 3	AND SURVEY OR AREA Sec. 23, T32N, R6W, N.M.P.N 12. COUNTY OR PARISH 13. STATE
510' FSL, 2405' FWL At proposed prod. zone MAY 2000 MA	12. COUNTY OR PARISH 13. STATE
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*	1 m a
Eight (8) miles SE of Arboles, Colorado 15. DISTANCE FROM PROPOSED*	
LOCATION TO NEAREST PROPERTY OR LEASE LINE FT 16. NO. OF ACRES IN LEASE TO TH	F ACRES ASSIGNED S WELL
(Also to nearest drlg, unit line, if any) 510' 1320	320 W/7
OR ADDITION CONTRACTOR OF THE	RY OR CABLE TOOLS
OR APPLIED FOR, ON THIS LEASE, FT. 900' 6073 Rot 21. ELEVATIONS (Show whether DF, RT, GR, etc.)	ary
6331'	22. APPROX. DATE WORK WILL START*
23. PROPOSED CASING AND CEMENTING PROGRAM	
SIZE OF HOLE GRADE, SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH	QUANTITY OF CEMENT
10 1 / 4	u. ft., circ. to surface
	u. ft., circ. to surface
	u. ft., circ. liner
Selectively perforate and sand water fracture the Mesaverde. This gas is dedicated. A Williams Field Service Pipeline ROW Plat is attached. This arrive to subject to to receive a CPCL 8183.3 and appart pursuant to 48 GPR 3188.4. "CONCRETE	n nagar jani satukan sa n kalendari sadan sampata Lukipitekilada
N ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and propose deepen directionally, give pertinent data on substitute locations and measured and true vertical depths. Give blowout preventer program	sed new productive zone. If proposal is to drill or n, if any.

APPROVED BY

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, figititious or fraudulent statements or representations as to any matter within its jurisdiction.

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.

APPROVAL DATE-

PO Box 1980, Hobbs, NM 88241-1980 District II PO Drawer DO. Artesia, NM 88211-0719

THEM DIGNIED Energy, Minerals & Natural Resources Department

Revised February 21, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Cobies

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Fee Lease - 3 Copies

AMENDED REPORT

District III 1000 Rio Brazos Ad., Aztec, NM 87410 District IV PO Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Name Pool Code 'API Number 72319 Blanco Mesavence Well Number Property Name SAN JUAN 32-5 UNIT 48 *Elevation OGRID No *Operator Name ENERGEN RESOURCES CORPORATION 162928 6331 ¹⁰ Surface Location UL or lot no. Section Tawashia Feet from the North/South line Feet from the East/mest line County RIÓ SOUTH 2405 WEST 23 32N 6W 510 Ν ARRIBA ¹¹Bottom Hale Location If Different From Surface North/South line Feet from the Let Ion Feet from the East/West line County UL or lot no. Section. Township Dubint or Infill 10 Consolidation Code 15 Order No Dedicated Acres 320 V 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 " OPERATOR CERTIFICATION 2682.90' I hereby centify that the information contained herein is true and complete to the best of my knowledge and belief Gary Enink Printed Name Production Superintendant 2/10/00 Date "SUAVEYOR CERTIFICATION I hereby centify that the well location shown on this plat was plotted from field notes of actual surveys made by he on under my supervision and that the same is true and connect to the best of my belief NOVEMBER 13. 1999 & C. EDWA METIC 6857 2405 6857

BOP SPECIFICATIONS:

An 11" 2000 psi minimum double gate BOP stack (Figure 1) will be used following nipple up of casing head. During air drilling operations, a Shaffer Type 50 or equivalent rotating head will be installed on top of the stack. A 2" nominal, 2000 psi minimum choke manifold will be used. An upper Kelly Cock valve with handle available and drill string valve to fit each drill string will be available on the rig floor during drilling operations.

CEMENTING:

9 5/8" surface casing - cement with 110 sks Class B Cement with $\frac{1}{4}$ " flocele/sk and 2% calcium chloride (130 cu. ft. of slurry, 100% excess to circulate to surface). WOC 12 hrs. Test casing to 600# for 30 minutes.

Texas Pattern Guide Shoe on bottom. 3 bow type centralizers spaced throughout the string.

7" intermediate casing – cement with 355 sks 65/35 Class B Poz with 6% gel, 2% calcium chloride, 10% gilsonite, and ½# flocele/sk. Tail with 100 sks Class B w/2% calcium chloride, 10% gilsonite and ½# flocele/sk. (806 cu. ft. of slurry, 50% excess to circulate to surface). WOC 12 hrs. If cement does not circulate, run temperature survey in 8 hrs. to determine TOC. Test casing to 1200 psi for 30 minutes.

Cement nose guide shoe on bottom with a self-fill insert float valve on top of shoe joint. 10 bow spring centralizers spaced every 2nd joint off bottom. Two turbolating centralizers at the base of the Ojo Alamo.

4 ½" Production Liner

Cement with 325 sks 50/50 Poz with 2% gel, 5 PPS gilsonite, and .4% halad -9 and $\frac{1}{4}$ # flocele/sk (408 cu. ft., 50% excess to tie into intermediate casing string). WOC 18 hrs. prior to completion.

Cement nose guide shoe on bottom with float collar on top of shoe joint. Liner hanger will have neopreme packoff on top.

OTHER INFORMATION:

- 1) The Blanco Mesa Verde will be completed.
- 2) No abnormal temperatures or pressures are anticipated.
- 3) Anticipated pore pressure for the Mesa Verde is 1000.
- 4) If lost circulation is encountered sufficient LCM will be added to the mud system to maintain well control.
- 5) This gas is dedicated.
- 6) Anticipated pore pressure for the Fruitland is 700 psi and the Pictured Cliffs is 800 psi.

ENERGEN RESOURCES CORPORATION SAN JUAN 32-5 UNIT #4R

510' FSL & 2405' FWL, SECTION 23, T32N, R6W, N.M.P.M. RIO ARRIBA COUNTY, NEW MEXICO



