

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Permit 68952

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

WELL API NUMBER
30-025-38543

5. Indicate Type of Lease
S

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
SAUNDERS DEEP STATE

8. Well Number
003

9. OGRID Number
162928

10. Poolname or Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFRENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:O

2. Name of Operator
ENERGEN RESOURCES CORPORATION

3. Address of Operator
605 21ST STREET NORTH , BIRMINGHAM , AL 352032707

4. Well Location
Unit Letter 3 : 990 feet from the N line and 2200 feet from the W line
Section 3 Township 15S Range 33E NMPM Lea County

11. Elevation (Show whether DR, KB, BT, GR, etc.)
4194 GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE OF PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

Other:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTER CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐

CASING/CEMENT JOB ☐

Other: **Drilling/Cement** ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

See Attached

10/15/2007 Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
10/16/07	Surf	FreshWater	17.5	13.375	48	H-40	0	456	600	1.36	C		600		Y
11/04/07	Int1	Brine	12.25	9.625	40	HCK-55	0	5708	2600	1.8	C		2000		Y
12/14/07	Prod	FreshWater	8.75	5.5	17	HCL-80	0	13548	2400	2.18	PVL Lightw				Y
12/14/07	Prod	FreshWater	8.75	5.5	17	HCL-80	0	13548	900	1.31	50/50 Poz				Y
12/14/07	Prod	FreshWater	8.75	5.5	17	HCL-80	0	13548	100	1.22	"H"				Y

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Electronically Signed

TITLE Regulatory Analyst

DATE 2/8/2008

Type or print name Vicki Donaghey

E-mail address vdonaghe@energen.com

Telephone No. 505-325-6800

For State Use Only:

APPROVED BY: Paul Kautz

TITLE Geologist

DATE 2/11/2008 7:35:08 AM

SAUNDERS DEEP STATE #3

C-3-15S-33E
990' FNL & 2200' FWL
Lea County, NM
30-025-38543

1/11-2/7/08

Drill out plugs down to 13,417'. Run a CB/VD/CMT/GR/CCL log from 13,552' to 10,000'. Pmpd cleanup consisting of 1300 gals of 15% HCL acid & 1300 gals of Water-White xylene followed by 330 bbls of 2% FKCLW. Drilled open hole from 13,551' to 13,565' & circulated samples. RIH w/5-1/2" Big Bore/Arrowset IX packer set @ 13,511', 2-7/8" tubing to 13,256'. EOT @13,543'. Began swabbing. Pump acid clean-up of 200 gals of 10% HCL/DI acid w/additives followed by 5 bbls of 2% FKCLW. Recovered 207 BO & 83 BW (3-day total). Performed another acid-cleanup w/300 gals of 15% HCL/DI acid w/additives. Opened the well to the test tank on a 10/64" choke. Began swabbing with a 6-day total recovery of 652 BO. Drill additional open hole from 13,565' to 13,570'. RIH w/ArrowSet 1X packer and tubing. Continue swabbing to test tank.