

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

NOV 02 2011

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

Farmington 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, Farmington, NM 87401

3b. Phone No (include area code)

505-325-6800

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

SHL: (M) Sec.29-T32N-R05W ; 725'FSL, 800'FWL

BHL: (C) Sec.29-T32N-R05W ; 760'ENL, 1880'FWL

5. Lease Serial No.

NM-4461

6. If Indian, Allottee or Tribe Name

Elk Horn

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

Elk Horn

8. Well Name and No.

Elk Horn 100

9. API Well No.

30-039-27337

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 PermissionTo Work in CloserArea

- 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 requests an exception to proceed with completion operations for the Elk Horn #100 sidetrack in the winter closure area.

See attached cover letter, procedure, and wellbore diagram for details.

SEE ATTACHED FOR
CONDITIONS OF APPROVALCONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

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

Kirt Snyder

Title District Engineer

Signature

Date 11/2/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Asst. Field Manager

Date

11/03/11

Office

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 unlawful for any person knowingly 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

Recommended Workover Procedure
Elk Horn #100
SW/4 Section 29, T32N, R5W
API# 30-039-27337

1. Check Anchors. Check Pressures. MIRU WSU. ND WH. NU BOP.
2. TOH w/ kill string tbg.
3. TIH w/ 2-3/8" PH-6 work string w/ MCL to correlate w/ pipe tally (get accurate tally on Work string). TOH.
4. TIH w/ 3-5/8" hydraulic cutting tool and cut liner 2' below bottom of window @ 3094' MD (Bottom of Window @ 3092' MD). TOH w/ cutting tool.
5. TIH w/ 4-1/2" casing spear and spear casing below 2510' MD (T Lock Swivel @ 2496' MD). TOH w/ fish.
6. TIH w/ 6-1/4" Junk Mill, Float Sub, and 2-3/8" work string to drill out composite plug @ 3100' (window f/ 3079' to 3092'). TOH. TIH w/ 6-1/4" junk mill, float sub and dual string mills to dress window.
7. MIRU Weatherford Wire Line and TIH w/ Multi Finger Caliper log from 3200' to 2200' (NU Wireline pack off and lubricator). RDMO Wireline. Evaluate log.
8. TIH with a 7" Tubing set RBP and mechanical collar locator and set RBP at approximately 3150'. Log collars coming out record at least 6 to 10 collars. Load 7" from top of RBP to bottom of window if fluid level requires.
9. PU lateral re-entry tool (**Per Knight Oil Tool running procedure**). Locate window. Orientate re-entry tool and set.
10. RU AFU and TIH w/ wash nozzle. Establish circulation before entering 4-1/2" sidetrack liner. Enter liner @ 60 ft intervals. Clean out lateral to bottom perf @ 6211' MD. (Record pressures, water volumes, and solids during all flow back operations)
11. TIH w/ work string and spot acid 2500 gal 15% HCl f/ 3500' to 6211' MD.
12. Flow acid back and clean up lateral until water is clear and pH has returned to normal. TIH to bottom perf @ 6211' MD to verify no fill has accumulated. TOH.
13. TIH and retrieve lateral re entry tool (Per Knight Oil Tool procedure). TOH.
14. TIH and retrieve RBP @ 3150'. TOH.

15. TIH and Clean out to PBTD @ 3535' (5-1/2" liner top @ 3216'). TOH.
16. TIH w/ production tbg according to production foreman specifications.
17. ND BOP. NU WH.
18. TIH w/ pump and rods according to production foreman specifications.
19. RDMO WSU.

Workover Procedure 2
Elk Horn #100
SW/4 Section 29, T32N, R5W
API# 30-039-27337

1. Check Anchors. Check Pressures. MIRU WSU. ND WH. NU BOP.
2. TOH w/ kill string tbg.
3. TIH w/ 2-3/8" PH-6 work string w/ MCL to correlate w/ pipe tally (get accurate tally on Work string). TOH.
4. TIH w/ 3-5/8" hydraulic cutting tool and cut liner 2' below bottom of window @ 3094' MD (Bottom of Window @ 3092' MD). TOH w/ cutting tool.
5. TIH w/ 4-1/2" casing spear and spear casing below 2510' MD (T Lock Swivel @ 2496' MD). TOH w/ fish.
6. TIH w/ 6-1/4" Junk Mill, Float Sub, and 2-3/8" work string to drill out composite plug @ 3100' (window f/ 3079' to 3092'). TOH. TIH w/ 6-1/4" junk mill, float sub and dual string mills to dress window.
7. TIH and Clean out to PBTD @ 3535' (5-1/2" liner top @ 3216'). TOH.
8. TIH w/ production tbg according to production foreman specifications.
9. ND BOP. NU WH.
10. TIH w/ pump and rods according to production foreman specifications.
11. RDMO WSU.

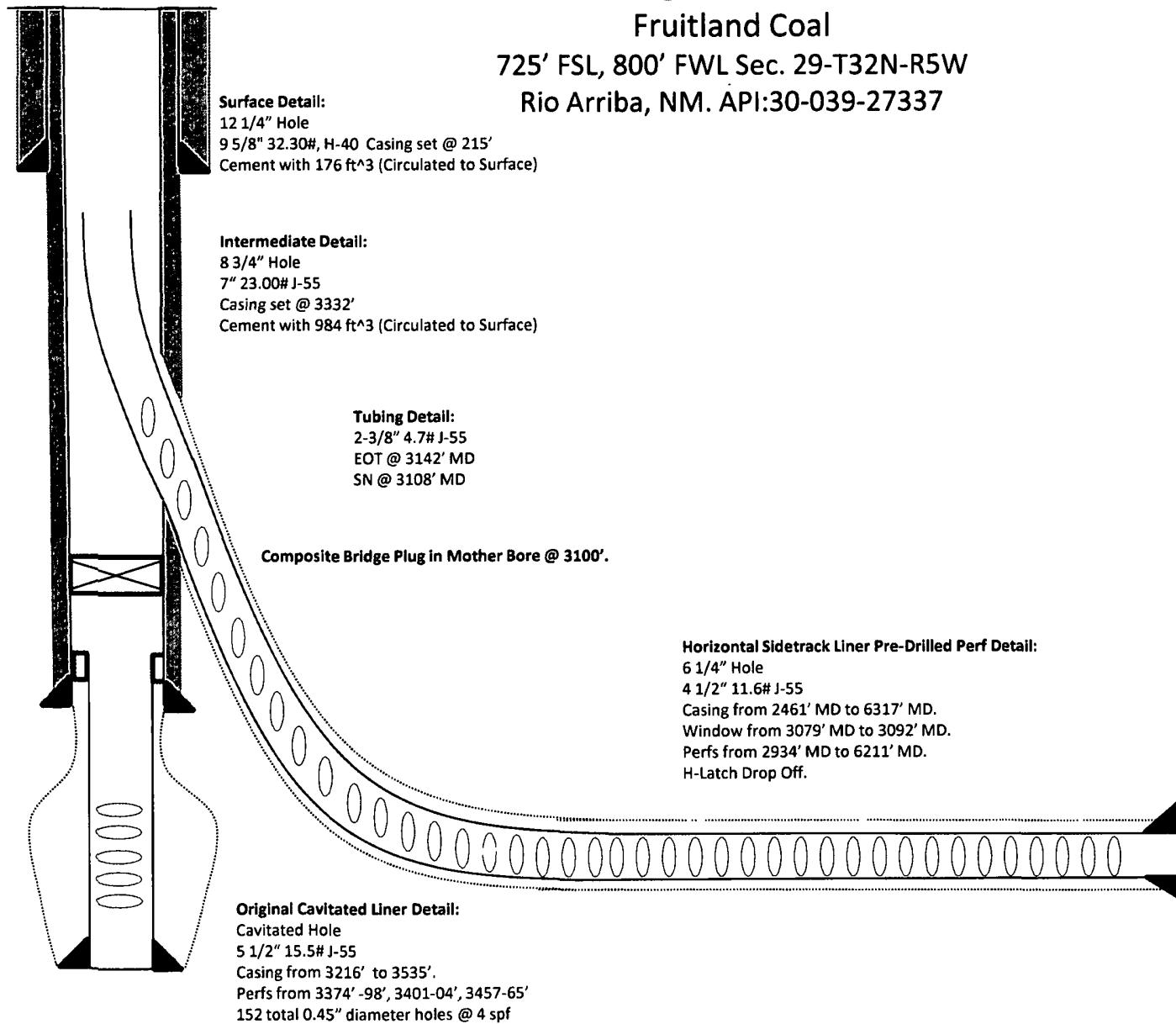
Note: WO procedure #2 was considered, however, the better alternative to maximize the resource recovery while considering wildlife impacts is alternative #1.

J. Lovato 11/3/11

Elk Horn #100
Energen Resources
Fruitland Coal

725' FSL, 800' FWL Sec. 29-T32N-R5W
Rio Arriba, NM. API:30-039-27337

Date: 11/2/2011
Spud: 8/22/2003
Elevation: 6,682' GL
KB Elevation : 15'





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO

Energen Resources
Elk Horn #100

Conditions of Approval:

SEASONAL CLOSURE EXCEPTION and RECOMPLETION OPERATIONS:

As you are aware this well is currently under seasonal closure stipulations. This authorization is granted after considering the relevant facts and the conditions encountered in the well bore while drilling and the likely irretrievable loss of hydrocarbon resources if immediate action is not taken.

In future operations conducted in seasonal closure areas, you are cautioned to consider the degree of risk associated with your well development proposal in relation to the commencement of BLM's seasonal closure requirements, particularly when horizontal and directional technology applications are employed. Commencing operations within 30 days of the closure could create a seasonal closure jeopardy situation if well bore problems are encountered.

This authorization is conditioned upon the following:

1. Authorized operations are granted until November 22, 2011. No additional exceptions will be granted. Authorized operations include your recompletion proposal and facilities installation (Including the ConocoPhillips Quintana Mesa #1 facility re-installation).
2. If casing repair operations are needed, obtain prior approval from this office before commencing repair operations.
3. A properly functioning BOP and related equipment must be installed prior to commencing recompletion operations.