Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

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.

07 MAY 31 AM 9:05

SUBMIT IN TRIPLICATE - Other instructions on reverse side

RECEIVED
BLM

5. Lease Serial No.
NMSF - 079011

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
San Juan 32-5 #114
Unit Com

2. Name of Operator
Energen Resources Corporation

9. API Well No.
30-039-29790

3a. Address
2198 Bloomfield Hwy, Farmington, NM 87401

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

10. Field and Pool, or Exploratory Area
Basin Fruitland Coal

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
At surface: 1345 fnl, 225 fwl Sec 24 T32N R06W
At bottom: 1880 fsl, 760 fwl Sec 14 T32N R06W

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 San Juan 32-5 Unit Com #114:

Change the dedication acreage from an east half (E/2) dedication of section 14 to a south half (S/2) dedication of section 14.

Change the directional plan to drill the S/2 of section 14 with the following information:
BHL from 660 fnl, 1980 fel to 1880 fsl, 760 fwl.
Intermediate casing set to 4675' (MD), 3190' (TVD).
Lower production lateral set from 4534' - 8397' (MD).
Upper production lateral set from 4320' - 8316' (MD).

Attached are revised operations plans, directional plans, and C-102.

RCVD JUN7'07
OIL CONS. DIV.
DIST. 3

Communitization Agreement Required

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

Title
Drilling Engineer

Date 5/31/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Troy L Salyers

Title Petroleum Engineer

Date 6/5/07

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 FFO

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

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

2007 MAY 31 AM 9:05

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

[X] AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
	71629	Basin Fruitland Coal

4 Property Code	5 Property Name	6 Well Number
	San Juan 32-5 Unit Com	114

7 OGRID No.	8 Operator Name	9 Elevation
162928	Energen Resources Corporation	6472'

10 Surface Location

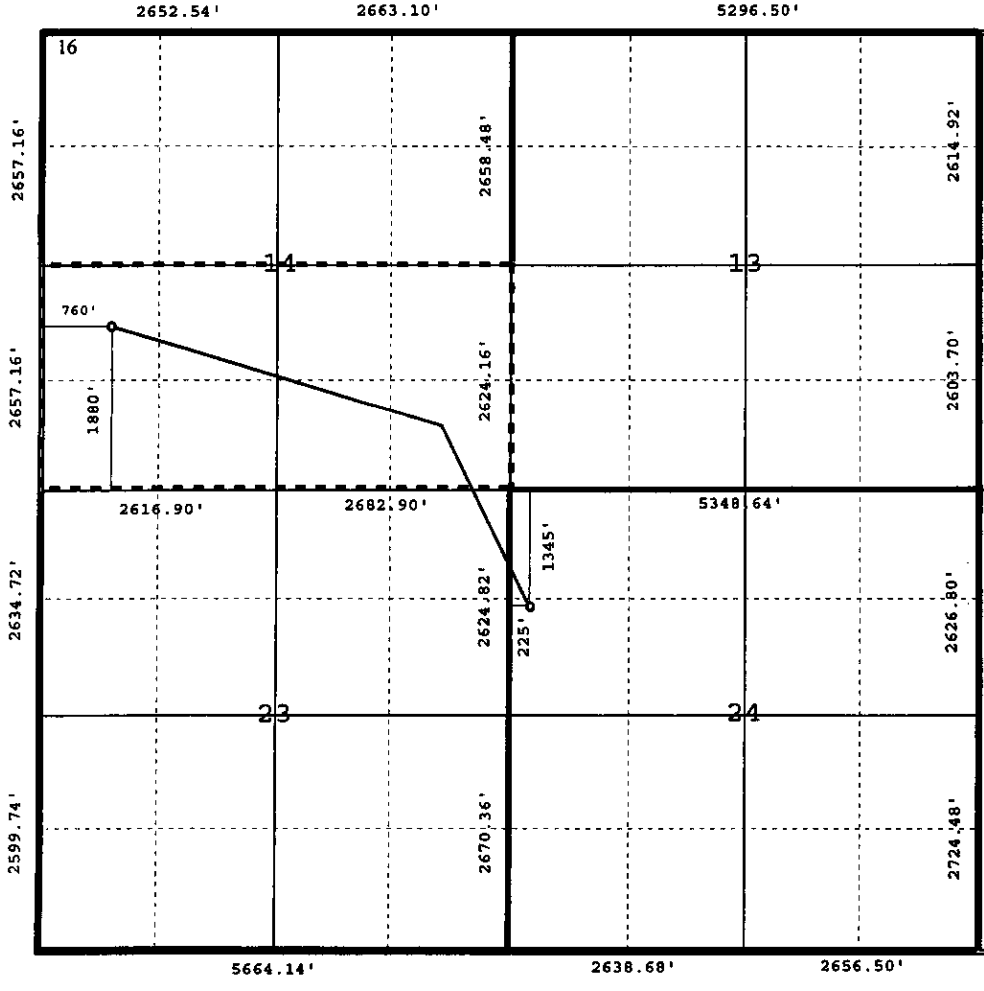
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	24	32N	6W		1345	North	225	West	Rio Arriba

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	14	32N	6W		1880	South	760	West	San Juan

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
S/2			

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.



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature — May 29, 2007 (Date)

Nathan Smith
Printed Name

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

September 27, 2004
Date of Survey

Signature and Seal of Professional Surveyor:
Original survey conducted and recorded by Jason C. Edwards

15269
Certificate Number

Operations Plan
Revised May 31, 2007

San Juan 32-5 Unit Com #114

General Information

Location	1345' fnl, 225' fwl at surface (sec 24) 1880' fsl, 760' fwl at bottom (sec 14) swnw S24, T32N, R05W Rio Arriba County, New Mexico
Elevations	6472' GL
Total Depth	8397' +/- (MD); 3190' +/- (TVD)
Formation Objective	Basin Fruitland Coal

Formation Tops

San Jose	Surface
Nacimiento	1027' (TVD)
Ojo Alamo Ss	2397' (TVD), 2647' (MD)
Kirtland Sh	2507' (TVD), 2865' (MD)
Fruitland Fm	2957' (TVD), 4053' (MD)
Target Coal Top (1)	**3082' (TVD), 4387' (MD)**
Target Coal Base (1)	**3102' (TVD), 4440' (MD)**
Target Coal Top (2)	**3162' (TVD), 4601' (MD)**
Target Coal Base (2)	**3167' (TVD), 4614' (MD)**
Pictured Cliffs Ss	3167' (TVD), 4032' (MD)
Total Depth	**3190' (TVD), 8397' (MD)**

Drilling

The 12 ¼" wellbore will be drilled with a fresh water mud system.
The 8 ¾" wellbore will be drilled with a low solids fresh water/polymer mud system. Weighting materials will be drill cuttings and if needed barite. Mud density is expected to range from 8.3 ppg to 8.9 ppg. Kick off point is anticipated to be at 1000 ft (TVD).
The 6 ¼" wellbore will be drilled with a fresh water system or $CaCl_2$ brine as wellbore and formation pressures dictate. **Bottom hole pressure can be as high as 1600 psi.**
Blowout Control Specifications:

A 2000 psi minimum double ram or annulus BOP stack (figure 1) 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.

Logging Program:

Open hole logs: Gamma Ray MWD and mud logs.
Surveys: Surface and as needed for directional surveys.

Tubulars

Casing, Tubing, & Casing Equipment:

String	Interval	Wellbore	Casing	Csg Wt	Grade
Surface	0'-200	12 ¼"	9 5/8"	32.3 ppf	H-40 ST&C
Intermediate	200'-4675' (MD) 3190' (TVD)	8 ¾"	7"	23.0 ppf	J-55 LT&C
Production	4534'-8397' (MD) 3137'-3164' (TVD)	6 ¼"	4 ½"	11.6 ppf	J-55 LT&C
	4320'-8316' (MD) 3057'-3092' (TVD)	6 ¼"	4 ½"	11.6 ppf	J-55 LT&C
Tubing	0'-3140' (TVD) 4550' (MD)		2 3/8"	4.7 ppf	J-55

Casing Equipment:

Surface Casing: Depending on wellbore conditions, a Texas Pattern Guide Shoe on bottom. Casing centralization with standard bow spring centralizers to achieve optimal standoff.

Intermediate Casing: Depending on wellbore conditions, a Cement nose guide shoe with self fill insert float collar on top of bottom joint and casing centralization with standard bow spring centralizers to optimize standoff. Two turbolating centralizers at the base of the Ojo Alamo are recommended.

Wellhead

11" 3000 x 9 5/8" casing head. 11" 3000 x 7 1/16" Christmas Tree.

Cementing

Surface Casing: 125 sks Std (class B) with 2.0 % $CaCl_2$ and ¼ #/sk Flocele (15.6 ppg, 1.18 ft^3/sk 148 ft^3 of slurry, 100% excess to circulate to surface). WOC 12 hours. Pressure test surface casing to 1000 psi for 30 min.

Intermediate Casing: Before cementing, circulate hole at least 1 ½ hole volumes of mud and reduce funnel viscosity to minimum to aide in hole cleanout. Depending on wellbore conditions, cement may consist of 550 sks 65/35 with 6.0 % Bentonite, 2.0 % $CaCl_2$, 10 #/sk Gilsonite, and ¼ #/sk Flocele (12.3 ppg, 1.96 ft^3/sk) and a tail of 150 sks of Standard (Class B) cement with 5.0 #/sk Gilsonite, and ¼ #/sk Flocele (15.2ppg, 1.24 ft^3/sk). (1264 ft^3 of slurry, 100 % excess to circulate to surface).

Production: un-cemented pre-drilled liner

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. The production 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 are anticipated. Anticipated BHP is 1600 psi.
5) This gas is dedicated.

ENERGEN

Project: SJ BR, S14, T32N, R6W
Site: Eul Canyon
Well: San Juan 32-5 Unit Com #114
Wellbore: Motherbore
Plan: Preliminary Plan (San Juan 32-5 Unit Com #114/Motherbore)

Azimuths to True North
Magnetic North: 10.26°

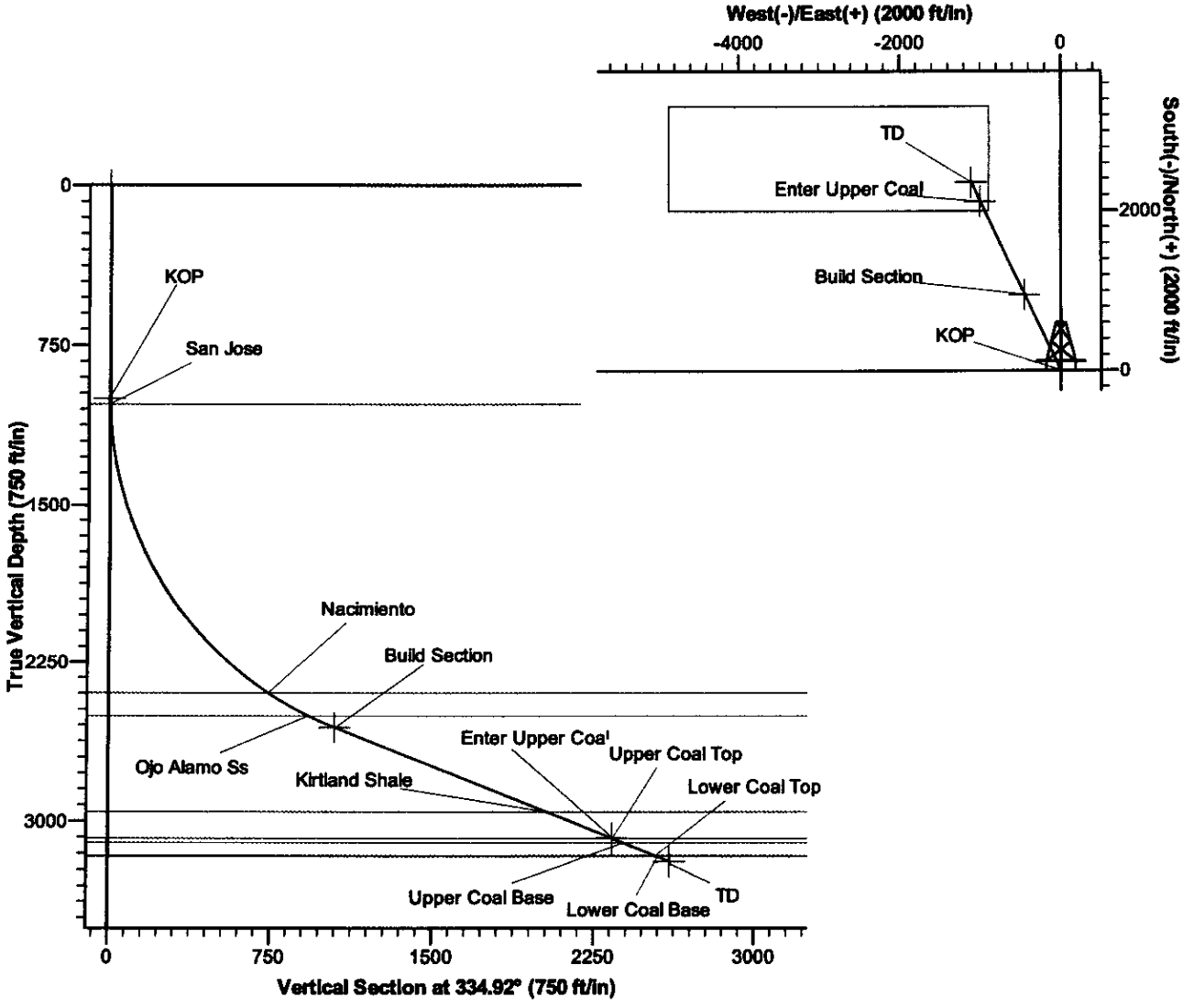
Magnetic Field
Strength: 51333.9snT
Dip Angle: 63.83°
Date: 5/29/2007
Model: IGRF200510

PROJECT DETAILS: SJ BR, S14, T32N, R6W	
Geodetic System:	US State Plane 1927 (Exact solution)
Datum:	NAD 1927 (NADCON CONUS)
Ellipsoid:	Clarke 1866
Zone:	New Mexico Central 3002
System Datum:	Mean Sea Level

SURFACE LOCATION	
Easting:	159178.39
Northing:	2174196.38

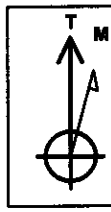
SECTION DETAILS

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	1000.0	0.00	0.00	1000.0	0.0	0.0	0.00	0.00	0.0	KOP
3	3000.0	68.00	334.92	2562.5	954.5	-446.7	3.40	334.92	1053.9	Build Section
4	4386.9	68.00	334.92	3082.0	2119.2	-991.8	0.00	0.00	2339.8	Enter Upper Coal
5	4675.2	67.99	334.92	3190.0	2361.3	-1105.1	0.00	0.00	2607.1	TD



ENERGEN RESOURCES

Project: SJ BR, S14, T32N, R6W
Site: Eul Canyon
Well: San Juan 32-5 Unit Com #114
Wellbore: Lower Lateral
Plan: Plan #1 (San Juan 32-5 Unit Com #114/Lower Lateral)



Azimuths to True North
Magnetic North: 10.26°

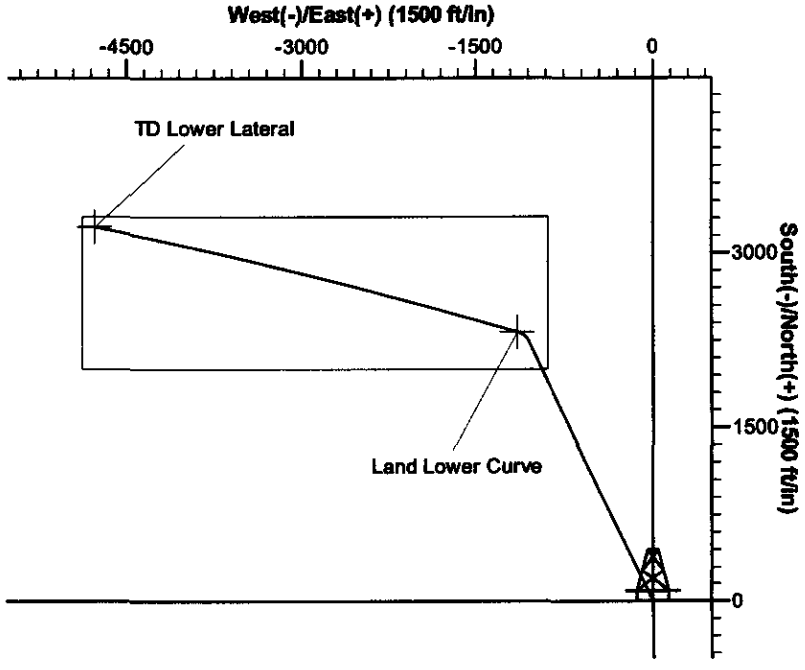
Magnetic Field
Strength: 51333.6snT
Dip Angle: 63.83°
Date: 5/30/2007
Model: IGRF200510

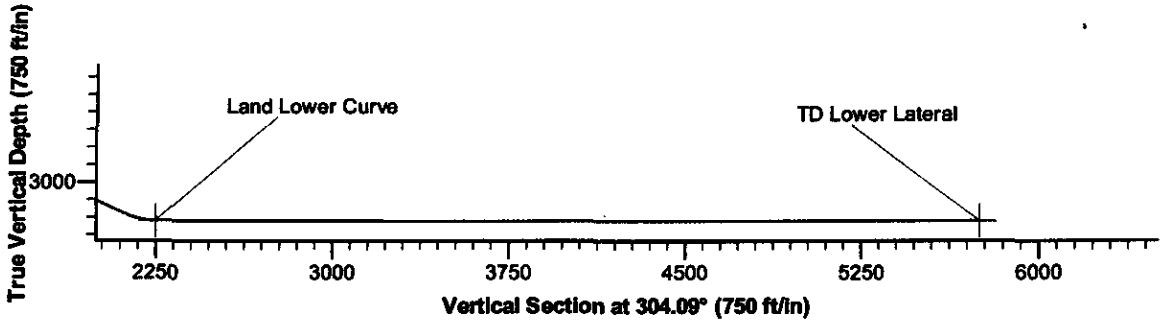
PROJECT DETAILS: SJ BR, S14, T32N, R6W	
Geodetic System:	US State Plane 1927 (Exact solution)
Datum:	NAD 1927 (NADCON CONUS)
Ellipsoid:	Clarke 1866
Zone:	New Mexico Central 3002
System Datum:	Mean Sea Level

SURFACE LOCATION	
Easting:	159178.39
Northing:	2174196.38

SECTION DETAILS

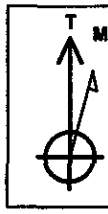
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	4533.8	68.01	334.92	3137.0	2242.6	-1049.5	0.00	0.00	2126.1	
2	4667.9	90.00	286.45	3164.0	2323.5	-1147.0	38.83	-71.65	2252.2	Land Lower Curve
3	8397.7	90.00	281.54	3164.0	3225.0	-4765.0	0.13	-90.12	5753.8	TD Lower Lateral





ENERGEN

Project: SJ BR, S14, T32N, R6W
Site: Eul Canyon
Well: San Juan 32-5 Unit Com #114
Wellbore: Upper Lateral
Plan: Plan #1 (San Juan 32-5 Unit Com #114/Upper Lateral)



Azimuths to True North
Magnetic North: 10.26°

Magnetic Field
Strength: 51333.6snT
Dip Angle: 63.83°
Date: 5/30/2007
Model: IGRF200510

PROJECT DETAILS: SJ BR, S14, T32N, R6W	
Geodetic System:	US State Plane 1927 (Exact solution)
Datum:	NAD 1927 (NADCON CONUS)
Ellipsoid:	Clarke 1866
Zone:	New Mexico Central 3002
System Datum:	Mean Sea Level

SURFACE LOCATION	
Easting:	159178.39
Northing:	2174196.38

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	4320.2	68.00	334.92	3057.0	2063.2	-965.6	0.00	0.00	1956.1	
2	4493.4	89.91	286.76	3092.0	2168.1	-1091.2	29.88	-71.57	2118.9	Land Upper Curve
3	8316.3	90.09	285.34	3092.0	3225.0	-4765.0	0.04	-82.64	5753.8	TD Upper Lateral