

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0136
Expires: November 30, 2000


APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM 28812
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Energen Resources Corporation		7. Unit or CA Agreement Name and No. 32863
3a. Address 2198 Bloomfield Highway Farmington, New Mexico 87401	3b. Phone No. (include area code) (505) 325-6800	8. Lease Name and Well No. Carracas Canyon Unit 26 B [#] 7
4. Location of Well (Report location clearly and in accordance with any State requirements) At surface 1775' FNL, 1840' FEL At proposed prod. zone		9. API Well No. 3003927456
14. Distance in miles and direction from nearest town or post office* 18 miles North of Gobernador, New Mexico		10. Field and Pool, or Exploratory Carracas Pictured Cliffs
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 1775'	16. No. of Acres in lease 2680	11. Sec., T., R., M., or Blk. and Survey or Area Sec. 26, T32N, R4W, N.M.P.M.
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 2000'	19. Proposed Depth 3884'	12. County or Parish Rio Arriba
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6604' GL	22. Approximate date work will start* August 2003	13. State NM
17. Spacing Unit dedicated to this well 160A NE 1/4		
20. BLM/BIA Bond No. on file		23. Estimated duration 5 Days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

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| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Don Graham	Date 5/30/03
Title Production Superintendent		
Approved by (Signature) /s/ David J. Markiewicz	Name (Printed/Typed)	Date SEP - 5 2003
Title Office		

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.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

*(Instructions on Reverse)

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

NMOCD

RECEIVED
2003 JUN 12 AM 11:05
070 Farmington, NM

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30.039-27456		*Pool Code 96154	*Pool Name CARRACAS; PICTURED CLIFFS
*Property Code 32863	*Property Name CARRACAS CANYON UNIT 26. B		*Well Number 268-7
*OGRID No. 162928	*Operator Name ENERGEN RESOURCES CORPORATION		*Elevation 6604'

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
G	26	32N	4W		1775	NORTH	1840	EAST	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

¹² Dedicated Acres 160.0 Acres - (NE/4)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

<p>5297.16'</p> <p>1775'</p> <p>1840'</p> <p>5280.00'</p> <p>26</p> <p>070 Farmington NM</p> <p>2003 JUN 12 AM 11:05</p> <p>RECEIVED</p> <p>5294.52</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Don Graham</i></p> <p>Signature Don Graham</p> <p>Printed Name Production Superintendent</p> <p>Title 4-11-03</p> <p>Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey: APRIL 29, 2003</p> <p>Signature and Seal of Professional Surveyor</p> <p></p> <p>JASON C. EDWARDS</p> <p>Certificate Number 15269</p>

OPERATIONS PLAN

WELL NAME: Carracas Canyon Unit 26B #7

LOCATION: 1775' FNL, 1840' FEL, Section 26, T32N, R4W, Rio Arriba County, NM

FIELD: Carracas Pictured Cliffs

ELEVATION: 6604' GL

FORMATION TOPS:

Surface	San Jose
Nacimiento	1609
Ojo Alamo	2919
Kirtland	3089
Fruitland	3374
Pictured Cliffs	3584

Total Depth 3884

LOGGING PROGRAM:

Open Hole Logs:

Surface to intermediate: None

Inter TD to total depth: GR/Temp/HRI: GR/Spec Den/Dual Spaced Neutron: MRIL

Mud Logs: Intermediate to total depth

Coring: Coal section

Natural Gauges: Every 500' from intermediate TD to total depth

MUD PROGRAM: Fresh water low solids mud from surface to intermediate TD (9.0 PPG).
Air/mist from intermediate casing point to total depth.

CASING PROGRAM:

<u>HOLE SIZE</u>	<u>DEPTH</u>	<u>CSG SIZE</u>	<u>WT.</u>	<u>GRADE</u>
12 ¼"	200'	9 5/8"	32.3#	H-40 – ST&C
7 7/8"	3884'	5 ½"	15.5#	J-55 – LT&C

TUBING PROGRAM:

3800'	2 3/8"	4.7#	J-55
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WELLHEAD: 11" 3000 x 9 5/8" casing head. 11" 3000 x 7 1/16" 3000 xmas tree.

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 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.

5 1/2" Production casing - cement with 580 sks 65/35 Class B Poz with 6% gel, 2% calcium chloride, 10% gilsonite, and 1/4# flocele/sk. Tail with 100 sks Class B w/2% calcium chloride, 10% gilsonite and 1/4# flocele/sk. (1278 cu. ft. of slurry, 90% 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.

OTHER INFORMATION:

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