

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

Form C-101  
May 27, 2004

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

Submit to appropriate District Office

☐ AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

|                                                                                                                                 |                                                  |                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------|
| <sup>1</sup> Operator Name and Address<br>Energen Resources Corporation<br>2198 Bloomfield Highway Farmington, New Mexico 87401 |                                                  | <sup>2</sup> OGRID Number<br>162928                               |
| <sup>4</sup> Property Code<br>21996                                                                                             | <sup>5</sup> Property Name<br>San Juan 32-5 Unit | <sup>3</sup> API Number<br>30-045-34421                           |
| <sup>9</sup> Proposed Pool 1<br>BASIN FRUITLAND COAL                                                                            |                                                  | <sup>6</sup> Well No.<br>115S                                     |
|                                                                                                                                 |                                                  | <sup>10</sup> Proposed Pool 2<br>RCVD SEP 5 '07<br>OIL CONS. DIV. |

**<sup>7</sup> 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             | 21      | 32N      | 6W    |          | 1905          | North            | 1705          | East           | San Juan |

**<sup>8</sup> Proposed 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   |
|---------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|----------|
| C             | 22      | 32N      | 6W    |          | 1000          | North            | 1880          | West           | San Juan |

**Additional Well Location**

|                                                                                                                                                                                                       |                                            |                                                 |                                          |                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------------|------------------------------------------|-----------------------------------------------|
| <sup>11</sup> Work Type Code<br>New Well                                                                                                                                                              | <sup>12</sup> Well Type Code<br>Gas        | <sup>13</sup> Cable/Rotary<br>Rotary            | <sup>14</sup> Lease Type Code<br>Private | <sup>15</sup> Ground Level Elevation<br>6401' |
| <sup>16</sup> Multiple<br>N                                                                                                                                                                           | <sup>17</sup> Proposed Depth<br>4980' (MD) | <sup>18</sup> Formation<br>Fruitland Coal       | <sup>19</sup> Contractor                 | <sup>20</sup> Spud Date<br>9/25/07            |
| Depth to ground water<br>>100'                                                                                                                                                                        |                                            | Distance from nearest fresh water well<br>1000' |                                          | Distance from nearest surface water<br>250'   |
| Pit: Liner: Synthetic <input type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume 2000 bbls Drilling Method:                                                                      |                                            |                                                 |                                          |                                               |
| Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> |                                            |                                                 |                                          |                                               |

**<sup>21</sup> Proposed Casing and Cement Program**

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 12.25     | 9.625       | 32.3               | 0-200         | 125             | 0             |
| 8.75      | 7           | 23                 | 0-4680        | 800             | 0             |
| 6.25      | 4.5         | 11.6               | 4462-5670     | 0               | NA            |
| 6.25      | 4.5         | 11.6               | 4242-5650     | 0               | NA            |

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

A surface casing will be set to 200' and cemented to surface. An intermediate casing string will be set to 4680' (MD). The 8.75" wellbore will be directionally drilled. Two windows will be milled by setting a whipstock, one from 4460-4466 and one from 4240-4246. After the 1st window is milled (4460-4466), a curve will be directionally drilled and landed in the lower FC. A 4.5" pre-drilled liner will be ran into this lateral and dropped off 2-3' outside the 7" intermediate casing window. The same procedure will be followed for the upper window and FC.

|                                                                                                                                                                                                                                                                                                                                                                                  |                     |                                                                                                      |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------|--|
| <sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . |                     | <b>OIL CONSERVATION DIVISION</b>                                                                     |  |
| Signature: <i>Jason Kincaid</i>                                                                                                                                                                                                                                                                                                                                                  |                     | Approved by: <i>[Signature]</i> Deputy Oil & Gas Inspector, District #3                              |  |
| Printed name: Jason Kincaid                                                                                                                                                                                                                                                                                                                                                      |                     | Title:                                                                                               |  |
| Title: Drilling Engineer                                                                                                                                                                                                                                                                                                                                                         |                     | Approval Date: SEP 10 2007 Expiration Date:                                                          |  |
| E-mail Address: jkincaid@energen.com                                                                                                                                                                                                                                                                                                                                             |                     |                                                                                                      |  |
| Date: 8/30/07                                                                                                                                                                                                                                                                                                                                                                    | Phone: 505.325.6800 | Conditions of Approval:<br>HOLD OIL FOR directional survey and<br>Attached: <input type="checkbox"/> |  |

AS Drilled C-102

DISTRICT I  
1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised October 12, 2005

DISTRICT II  
1301 W. Grand Avenue, Artesia, N.M. 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                         |                                                             |                                                |
|-----------------------------------------|-------------------------------------------------------------|------------------------------------------------|
| <sup>1</sup> API Number<br>30-045-34421 | <sup>2</sup> Pool Code<br>71629                             | <sup>3</sup> Pool Name<br>Basin Fruitland Coal |
| <sup>4</sup> Property Code<br>21996     | <sup>5</sup> Property Name<br>SAN JUAN 32-5 UNIT            | <sup>6</sup> Well Number<br>115 S              |
| <sup>7</sup> GRID No.<br>162928         | <sup>8</sup> Operator Name<br>ENERGEN RESOURCES CORPORATION | <sup>9</sup> Elevation<br>6401'                |

<sup>10</sup> Surface Location

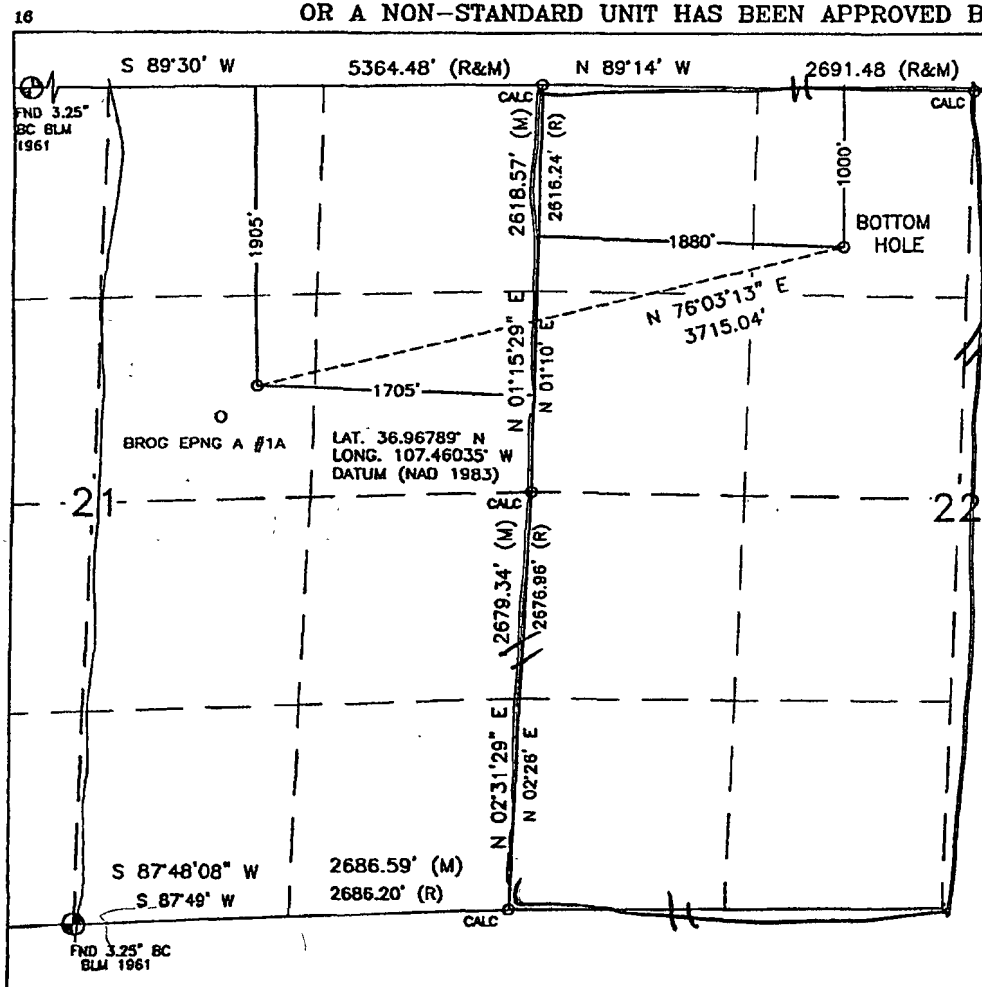
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| G             | 21      | 32N      | 6W    |         | 1905'         | NORTH            | 1705'         | EAST           | SAN JUAN |

<sup>11</sup> 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   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| C             | 22      | 32N      | 6W    |         | 1000'         | NORTH            | 1880'         | WEST           | SAN JUAN |

|                                                 |                               |                                  |                         |
|-------------------------------------------------|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>W/2 Section 22 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |
|-------------------------------------------------|-------------------------------|----------------------------------|-------------------------|

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 or a compulsory pooling order heretofore entered by the division.

*Jason K. Russell* 8/30/2007  
Signature Date

Jason K. Russell  
Printed Name

18 SURVEYOR CERTIFICATION

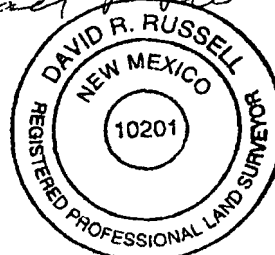
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MAY 21, 2007

Date of Survey

Signature and Seal of Professional Surveyor:

*David R. Russell*



DAVID RUSSELL

Certificate Number 10201