

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

DEC 21 2007

2. Name of Operator

ENERGEN RESOURCES CORPORATION

Bureau of Land Management

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)

1840' ENL, 850' FWL Sec. 07, T24N, R03W NMEM
G) SW/NE

5. Lease Serial No.

NMSF-080472

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Jillson Federal # 3

9. API Well No.

30-039-22197

10. Field and Pool, or Exploratory Area

W. Lindrith Gallup/Dakota

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

☐ Deepen

☐ Production (Start/Resume)

☐ Water Shut-Off

☐ Alter Casing

☐ Fracture Treat

☐ Reclamation

☐ Well Integrity

☐ 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 recompleat 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 recompleat 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.)

Energem Resources intends to plug and abandon the Jillson Federal #3 according to the attached procedures.

RCVD JAN 9 '08

OIL CONS. DIV.

DIST. 3

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

Vicki Donaghey

Title

Regulatory Analyst

Date

12/19/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

JAN 07 2008

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

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.

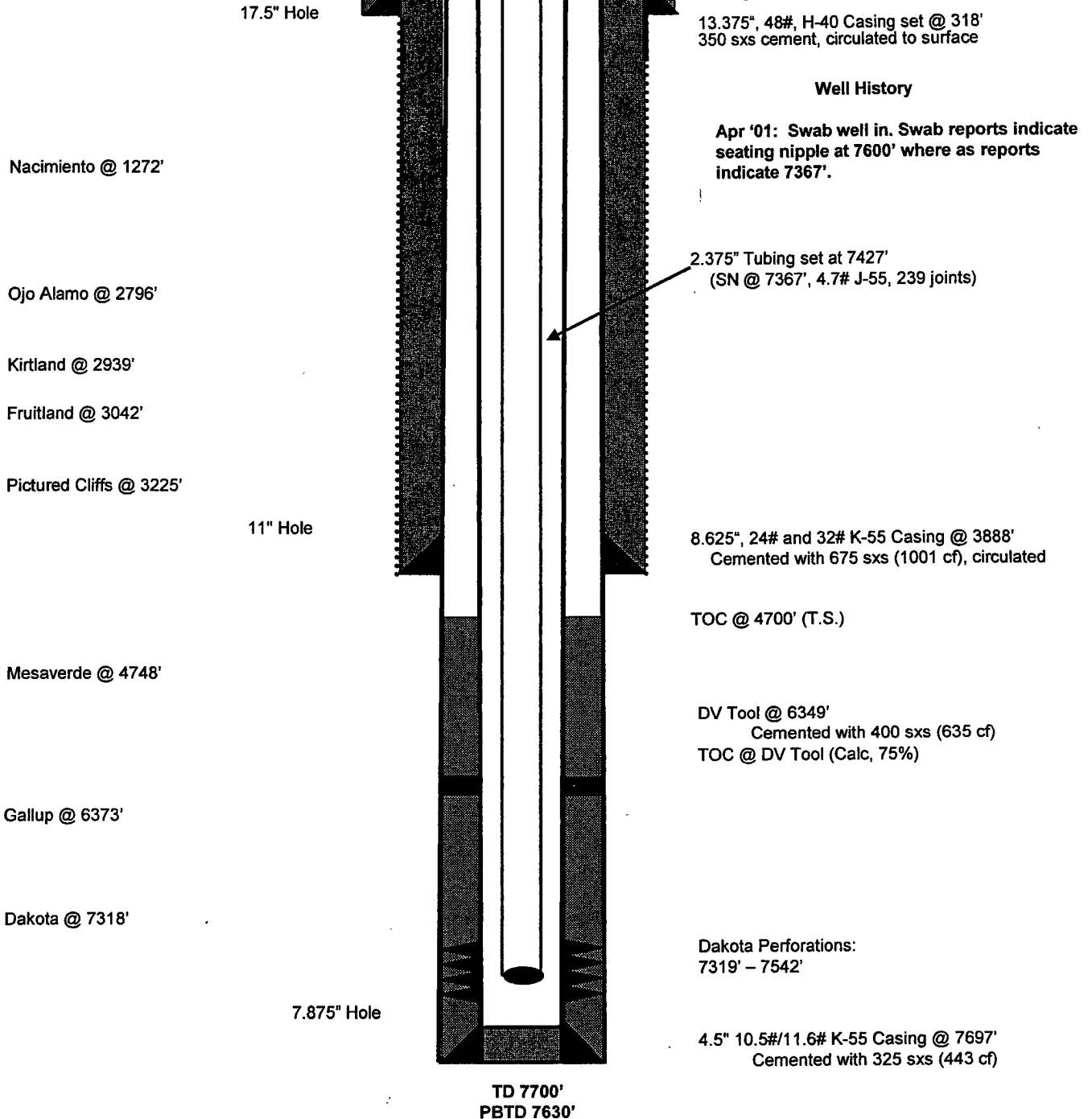
Jillson Federal #3

Current

West Lindrith Gallup / Dakota
1840' FNL & 850' FWL, Section 7, T-24-N, R-3-W
Rio Arriba County, NM / API #30-039-22197

Lat: N _____ / Long: W _____

Today's Date: 12/12/07
Spud: 2/28/80
Comp: 5/8/80
Elevation: 6886' GL



PLUG AND ABANDONMENT PROCEDURE

December 12, 2007

Jillson Federal #3

West Lindrith Gallup / Basin Dakota
1840' FNL and 850' FWL, Section 7, T24N, R3W
Rio Arriba County, New Mexico / API 30-039-22197
Lat: N _____ / Lat: W _____

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be ASTM Type III, mixed at 14.8 ppg with a 1.32 cf/sx yield.

1. Project will require an approved Pit Permit (C-103) from the NMOCD.
2. Install and test rig anchors. Comply with all NMOCD, BLM and Energen safety rules and regulations. Prepare a lined waste fluid pit. Conduct safety meeting for all personnel on location. MOL and RU daylight pulling unit. NU relief line and blow well down; kill with water as necessary.
3. TOH and tally 239 joints, 4.7#, J-55, 2.375" tubing with 7427' and SN at 7367'. Visually inspect tubing, if necessary LD tubing and PU a workstring. Round trip 4.5" gauge ring or casing scraper to 7269'.
4. **Plug #1 (Dakota perforations and top, 7269' – 7169')**: RIH and set a 4.5" CR 7269'. Load casing with water and circulate well clean. Pressure test casing to 800#. If casing does not test, spot or tag subsequent plugs as appropriate. Mix 11 sxs cement and spot a balanced plug above CR to cover the Dakota interval. PUH to 6423'.
6328 6228
5. **Plug #2 (Gallup top, 6423' – 6328')**: Mix 11 sxs Type III cement and spot a plug inside the casing to cover the Gallup top. PUH to 4798'.
6. **Plug #3 (Mesaverde top, 4798' – 4698')**: Mix 11 sxs Type III cement and spot a plug inside the casing to cover the Mesaverde top. TOH with tubing.
Chacma 4000
7. **Plug #4 (8.625" casing shoe top, 3938' – 3838')**: Perforate 3 HSC squeeze holes at 3938'. If the 4.5" casing tested, then attempt to establish rate into the squeeze holes. Set a 4.5" cement retainer at 3838'. Establish rate below CR. Mix and pump 44 sxs Type III cement, squeeze 18 sxs outside the 4.5" x 7.875" annulus, 12 sxs outside 4.5" x 8.625" casing and leave 11 sxs inside 4.5" casing to cover the casing shoe top. TOH with tubing.
3142' 2572'
8. **Plug #5 (Pictured Cliffs, Kirtland Fruitland and Ojo Alamo tops, 3275' – 2746')**: Perforate 3 HSC squeeze holes at 3275'. If the 4.5" casing tested, then attempt to establish rate into the squeeze holes. Set a 4.5" cement retainer at 3225'. Establish rate below CR. Mix and pump 159 sxs Type III cement, squeeze 119 sxs outside the 4.5" x 8.625" casing and leave 45 sxs inside 4.5" casing to cover through the Ojo Alamo top. TOH with tubing.
9. **Plug #6 (Nacimiento top, 1322' – 1222')**: Perforate 3 HSC squeeze holes at 1322'. If the 4.5" casing tested, then attempt to establish rate into the squeeze holes. Set a 4.5" cement retainer at 1272'. Establish rate below CR. Mix and pump 34 sxs Type III cement, squeeze 23 sxs outside the 4.5" x 8.625" casing and leave 11 sxs inside 4.5" casing to cover through the Nacimiento top. TOH and LD tubing.

10. **Plug #7 (Surface):** Perforate 3 HSC squeeze holes at 368'. Establish circulation to surface out the 4.5" casing and 8.625" annulus, circulate the annulus clean. Mix approximately 115 sxs cement and pump down the 4.5" casing to circulate good cement to the surface. Shut in well and WOC.
11. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

Jillson Federal #3

Proposed P&A

West Lindrith Gallup / Dakota

1840' FNL & 850' FWL, Section 7, T-24-N, R-3-W
Rio Arriba County, NM / API #30-039-22197

Lat: N _____ / Long: W _____

Today's Date: 12/12/07
Spud: 2/28/80
Comp: 5/8/80
Elevation: 6886' GL

Plug #7: 368' - 0'
Type III cement, 115 sxs

17.5" Hole

TOC @ surface (Calc, 75%)

13.375", 48#, H-40 Casing set @ 318'
350 sxs cement, circulated to surface

Perforate @ 368'

Nacimiento @ 1272'

Cmt Retainer @ 1272' Plug #6: 1322' - 1222'
Type III cement, 34 sxs:
23 outside 4.5" x 8.625",
and 11 inside.

Perforate @ 1322'

Ojo Alamo @ 2796'

Plug #5: 3275' - 2746'
Type III cement, 159 sxs:
119 outside 4.5" x 8.625",
and 40 inside.

Kirtland @ 2939'

Fruitland @ 3042'

Pictured Cliffs @ 3225'

Plug #4: 3938' - 3838'
Type III cement, 41 sxs:
18 outside 4.5", 12 4.5" x
8.625", and 11 inside.

Cmt Retainer @ 3225'

Perforate @ 3275'

11" Hole

8.625", 24# and 32# K-55 Casing @ 3888'
Cemented with 675 sxs (1001 cf), circulated

Cmt Retainer @ 3888'

Perforate @ 3938'

Mesaverde @ 4748'

Plug #3: 4798' - 4698'
TOC @ 4700' (T.S.) Type III cement, 11 sxs

DV Tool @ 6349'
Cemented with 400 sxs (635 cf)
TOC @ DV Tool (Calc, 75%)

Gallup @ 6373'

Plug #2: 6423' - 6323'
Type III cement, 11 sxs

Dakota @ 7318'

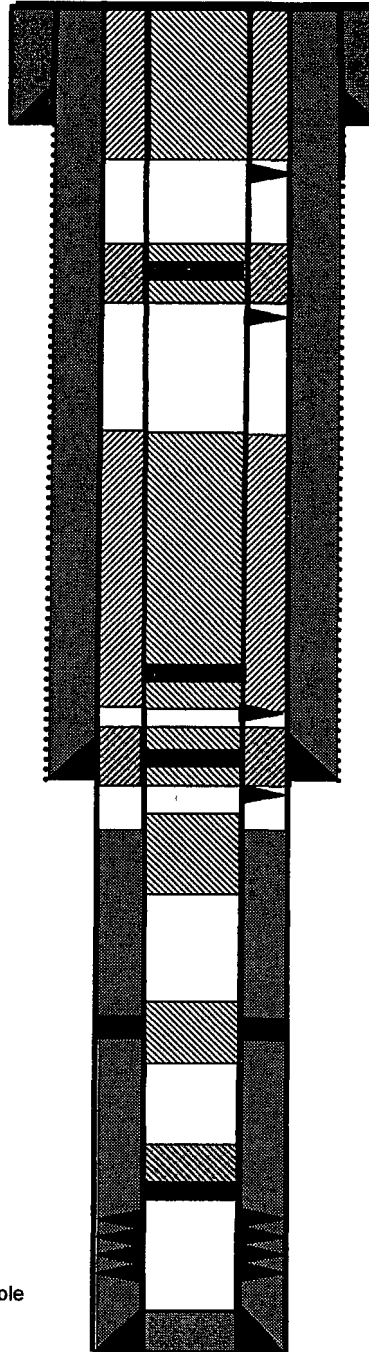
Plug #1: 7269' - 7169'
Type III cement, 11 sxs

Set Cmt Retainer @ 7269'

Dakota Perforations:
7319' - 7542'

7.875" Hole

4.5" 10.5#/11.6# K-55 Casing @ 7697'
Cemented with 325 sxs (443 cf)



TD 7700'
PBTB 7630'

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401**

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 3 Jillson Federal

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."

2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 599-8907.

3. The following modifications to your plugging program are to be made:

a) Place the Gallup plug from 6328' – 6228'.

b) Place the 8 5/8" casing shoe plug from 4000' – 3838' inside and outside the 4 1/2" casing to cover the Chacra top.

c) Place the Pictured Cliffs/Fruitland/Kirtland/Ojo Alamo plug from 3142' - 2572' inside and outside the 4 1/2" casing.

d) Place the Nacimiento plug to 1310' – 1210' inside and outside the 4 1/2" casing.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.