Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
JUL 25 2008
Bureau of Land Management
Farmington Field Office

FORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

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 page 2*

5. Lease Serial No.
NMNM 118139

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.
CJ Holder #500

2. Name of Operator
Energen Resources Corporation

9. API Well No.
30-045-34491

3a. Address
2010 Afton Place, 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)*
1465'fsl, 842'fel
(I) Sec 31, T29N, R13W

11. County or Parish, State
San Juan 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 change the casing plans for the C.J. Holder #500. The changes will be as followed.

Surface Casing: Change from 9-5/8", 32.3# H-40 ST&C to 8-5/8" 24# J-55 ST&C. Cement volume will increase from 100sks to 105 sks.

Production Casing: Change hole size from 8-3/4" to 7-7/8". Change casing from 7" J-55 23# LT&C to 5-1/2" J-55 15.5# LT&C. Lead cement will increase from 200 sks to 235 sks.

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

RCVD AUG 4 '08
OIL CONS. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)* Jason Kincaid
Title Drilling Engineer
Signature
Date 7/23/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Troy L. Salyers
Title Petroleum Engineer
Date 7-30-2008
Office FFO

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 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

Drilling Plan

July 23, 2008

CJ Holder #500

General Information

Location	1465' fsl, 842' fel Nese S31, T29N, R13W San Juan County, New Mexico
Elevations	5887' GL
Total Depth	1729' (MD)
Formation Objective	Basin Fruitland Coal

Formation Tops

Ojo Alamo Ss	Surface
Kirtland Sh	209'
Fruitland Fm	1174'
Top Coal	1404'
Bottom Coal	1529'
Pictured Cliffs Ss	1529'
Total Depth	**1729'**

Drilling

The 12 1/4" wellbore will be drilled with a fresh water mud system.
The 7 7/8" 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.
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: Induction/Gamma Ray and Density Logs
Coring: None
Surveys: Surface and/or every 500' to TD

Tubulars

Casing, Tubing, & Casing Equipment:

String	Interval	Wellbore	Casing	Csg Wt	Grade
Surface	0'-150'	12 1/4"	8 5/8"	24.0 ppf	J-55 ST&C
Production	150'-1729'	7 7/8"	5 1/2"	15.5 ppf	J-55 LT&C
Tubing	0'-1729'		2 3/8"	4.7 ppf	J-55

Casing Equipment:

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

Production 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.

Cementing

Surface Casing: 105 sks Std (class B) with 2.0 % $CaCl_2$ and ¼ #/sk Flocele (15.6 ppg, 1.18 ft^3/sk ~~59 ft^3~~ 124 ft^3 of slurry, 100% excess to circulate to surface). WOC 12 hours. Pressure test surface casing to 600 psi for 30 min.

Production 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 235 sks 65/35 with 6.0 % Bentonite, 2.0 % $CaCl_2$, 10 #/sk Gilsonite, and ½ #/sk Flocele (12.3 ppg, 1.93 ft^3/sk) and a tail of 135 sks of Standard (Class B) cement with 5.0 #/sk Gilsonite, and ¼ #/sk Flocele (15.4ppg, 1.18 ft^3/sk). (612 ft^3 of slurry, 100 % excess to circulate to surface).

Pump a 10 bbls water, 20 bbls gelled water, 5 bbls water spacer ahead of cement

Other Information

1) This well will be cased and the Basin Fruitland Coal fracture stimulated.
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 or pressures are anticipated.
5) This gas is dedicated.