Form 3160-3 (April 2004) . . A

#### **UNITED STATES** DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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

| ADDITION FOR DEDMIT TO DO   | II I AD     | DEENTED   | 5                         | . Lease Serial No.              |                                      |  |
|---|-------------|---|---------------------------|---------------------------------|--------------------------------------|--|
| APPLICATION FOR PERMIT TO DR  | ILL OK      | 1 A K1 . A. A          |                           | NMNM 30014                      |                                      |  |
| la. Type of Work X DRILL REE  | ENTER       | JAN 2 2 2000  | L                         | . If Indian, Allotee o          | r Tribe Name                         |  |
| 1b. Type of Well Oil Well Gas Well Other  | □ s         | Bureau of Land Managi<br>ingle Zongmiling Multiple Zong | emer <del>l:</del><br>Rce | Unit or CA Agreen               | nent Name and No                     |  |
| 2. Name of Operator   |             |   | 8                         | Lease Name and W                | 'ell No.                             |  |
| Energen Resources Corporation   |             |   |                           | Carracas 16                     | в #15                                |  |
| 3a Address  |             | 3b. Phone No. (include area coo                         | de) 9                     | . API Well No.                  | 2 2 . 1/(1)                          |  |
| 2010 Afton Place Farmington, New Mexico 8740 4. Location of Well (Report location clearly and in accordance with any                                    | O1          | (505) 325-6800  |                           |                                 | 9-30464                              |  |
| At surface 1705 'FSL', 940 'FWL   | y siaie equ | urements)   |                           | Field and Pool, or Basin Fruitl | and Coal                             |  |
| At proposed prod zone 1880'FSL, 760'FEL   |             |   |                           |                                 | Blk. and Survey or Are T32N, 4W NMPM |  |
| 14. Distance in miles and direction from nearest town or post office*   |             |   | 12                        | County or Parish                | 13.State                             |  |
| 36.5 miles NE of Go   | bernado     | or.NM   | R                         | io Arriba                       | NM NM                                |  |
| 15 Distance from proposed*  |             | No of Acres in lease                                    |                           | ing Unit dedicated to           | this well                            |  |
| location to nearest property or lease line, ft.  (Also to nearest drg unit line, if any)  |             | 2480  |                           | <b>320</b><br>317:48 acres S/2  |                                      |  |
| 18. Distance from proposed location* to nearest well, drilling, completed,  | 19.         | Proposed Depth  | 20.BLM                    | BLM/BIA Bond No. on file        |                                      |  |
| applied for, on this lease, ft 50'  |             | 6393 'MD  |                           | NM2707                          |                                      |  |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.  | 22          | . Approximate date work will star                       | t*                        | 23. Estimated dur               | ation                                |  |
| 6802 'GL  |             | April 1, 2008   |                           |                                 | 25                                   |  |
|   | 24. At      | tachments   |                           | RCV                             | DJUN 2'09                            |  |
| The following, completed in accordance with the requirements of Onshore   | e Oıl and C | Gas Order No. 1, shall be attached                      | to this fo                | orm: nII                        | CONS. DIV.                           |  |
| 1 Well plat certified by a registered surveyor  |             | 4. Bond to cover the operati                            | ons unles                 |                                 |                                      |  |
| 2 A Drilling Plan   |             | Item 20 above).   | ono amos                  | •                               |                                      |  |
| 3. A Surface Use Plan (if the location is on National Forest System Land  | ds, the     | 5. Operator certification.                              |                           | į.                              | DIST. 3                              |  |
| SUPO shall be filed with the appropriate Forest Service Office).  |             | 6. Such other site specific in authorized officer.      | formation                 | and/or plans as may             | be required by the                   |  |
| 25. Signuature  | Name        | (Printed/Typed)   |                           | Date                            |                                      |  |
| Javar /   | Jaso        | on Kincaid  |                           |                                 | 1/11/2008                            |  |
| Title /   |             |   |                           |                                 |                                      |  |
| DRILLING ENGINEER   |             |   |                           |                                 |                                      |  |
| Approved by (Signautre)   | Name        | (Printed/Typed)   |                           | Date                            | 6/1/09                               |  |
| Title AFM   | Office      | FF)   |                           |                                 |                                      |  |
| Application approval does not warrant or certify that the applicant holds conduct operations thereon.  Conditions of approval, if any, are attached     | s legal or  | equitable title to those rights in t                    | the subject               | ct lease which would            | d entitle the applicant to           |  |
| Title 18 U S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a States any false, fictitious or fraudulent statements or representations as to |             |   | lly to mal                | ke to any departmen             | t or agency of the United            |  |

\*(Instructions on page 2)

BLM'S APPROVAL OR ACCEPTANCE OF THIS PRIOR TO CASING & CEMENTACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER **AUTHORIZATION REQUIRED FOR OPERATIONS** ON FEDERAL AND INDIAN LANDS

SEE ATTACHED FOR **CONDITIONS OF APPROVAL**  Hold C104

for Directional Survey and "As Drilled" plat

JUN 1 0 2009

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED

"GENERAL REQUIREMENTS".

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 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

DICT O

RCVD AUG 25'08

AMENDED REPORT
OIL CONS. DIV.

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| 30.039.2      | 1 | Pool Code Pool Name 7 1629 BASIN FRUITLAND COAL |                          |  |  |
|---------------|---|---|--------------------------|--|--|
| Property Code |   | <sup>6</sup> Property N                         | <sup>6</sup> Well Number |  |  |
| 35656         |   | CARRACAS  | 15                       |  |  |
| OGRID No.     |   | <sup>0</sup> Operator Name                      |                          |  |  |
| 162928        |   | ENERGEN RESOURCES                               | 6802'                    |  |  |

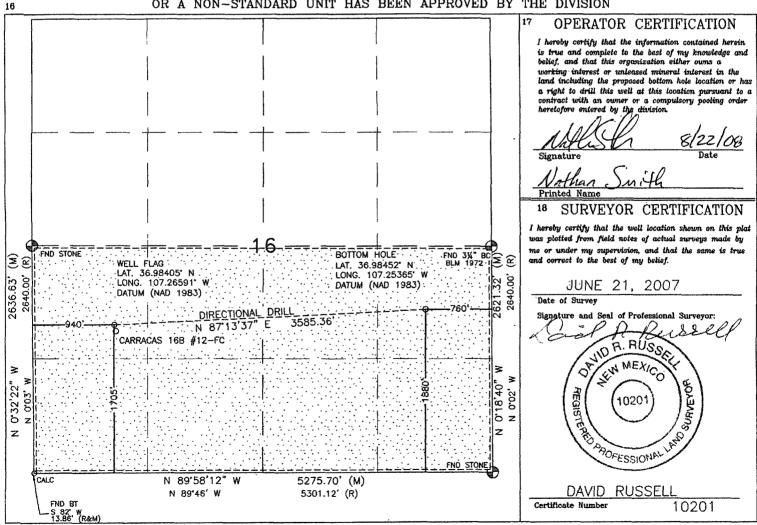
<sup>10</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County     |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| L             | 16      | 32N      | 4W    |         | 1705'         | SOUTH            | 940'          | WEST           | RIO ARRIBA |

<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                                |
|-------------------|---------|----------|-------------|---------|--------------------|------------------|---------------|----------------|---------------------------------------|
| 1                 | 1.6     | 32N      | 4W          |         | 1880'              | SOUTH            | 760'          | EAST           | RIO ARRIBA                            |
| 12 Dedicated Acre | ន       |          | 18 Joint or | Infill  | 14 Consolidation C | ode              | 16 Order No.  |                | · · · · · · · · · · · · · · · · · · · |
| 317.48 AC         | CRES -  | (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



### Operations Plan January 11, 2008

#### Carracas 16 B #15

#### **General Information**

Location 1705' fsl, 940' fwl at surface

1880' fsl, 760' fel at bottom

16, T32N, R4W

Rio Arriba County, New Mexico

Elevations 6802' GL

Total Depth 6393' (MD), 3548' (TVD)
Formation Objective Basin Fruitland Coal

#### Formation Tops

 San Jose
 Surface

 Nacimiento
 1727' (TVD)

 Ojo Alamo Ss
 3001' (TVD), 3117' (MD)

Kirtland Sh 3139' (TVD), 3317' (MD)
Fruitland Fm 3251' (TVD), 3501' (MD)
Top Coal 3537' (TVD), 4331' (MD)

Bottom Coal 3560' (TVD)

Total Depth 3560' (TVD), 6393' (MD)

#### Drilling

The 12 1/4" wellbore will be drilled with a fresh water mud system.

The 8 3/4" 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 8.9 ppg to 9.5 ppg.

#### Projected KOP is 1836' TVD with 3.35°/100' doglegs.

The 6 1/4" wellbore will be drilled with a fresh water or brine water system depending on reservoir characteristics. Anticipated BHP can be as high as 1100 psi. Blowout Control Specifications:

A 2000 psi minimum double ram or annulus BOP stack 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 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: None

Mud logs: From 3251' (TVD), 3501' (MD) to TD.

Surveys: Surface to KOP every 500' and a minimum of every 250' for directional.

#### **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 | 0'-3548'(TVD)<br>4525' (MD)       | 8 3/4"   | 7"     | 23.0 ppf | J-55 LT&C |
| Production   | 3537'-3560' (T\<br>4331'-6393' (M |          | 4 ½"   | 11.6 ppf | J-55 LT&C |
| Tubing       | 0'-4500'(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 and rigid centralizers to optimize standoff. Two turbolating centralizers at the base of the Ojo Alamo are recommended.

Liner: Bull nose guide shoe on bottom of first joint, H-Latch liner drop off tool on top of last joint.

#### Wellhead

3000 psi 11" x 9 5/8" casing head, 9 5/8" x 7"x 2 3/8" 3000 psi Flanged Wellhead.

#### Cementing

Surface Casing: 125 sks Std (class B) with 2.0 %  $CaCl_2$  and ½ #/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 600 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 775 sks 65/35 with 6.0 % Bentonite, 2.0 %  $CaCl_2$ , 10 #/sk Gilsonite, and ½ #/sk Flocele (12.3 ppg, 1.96 ft³/sk) and a tail of 125 sks Type V with ½ #/sk Flocele (15.6 ppg, 1.18 ft³/sk). (1643 ft³ of slurry, 100 % excess to circulate to surface). Test casing to 1200 psi for 30 min.

### Other Information

- 1) This well will be an open hole completion lined with an uncemented pre-drilled liner.
- 2) If lost circulation is encountered, sufficient LCM will be added to the mud system to maintain well control. The intermediate 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. This gas is dedicated.



Project: Carson Natl Forest - S16, T32N, 4W

Site: Carracas Mesa Well: Carracas 16 B #15

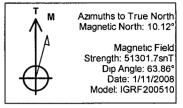
Wellbore: Horizontal Completion

Plan: Preliminary Plan (Carracas 16 B #15/Horizontal Completion)

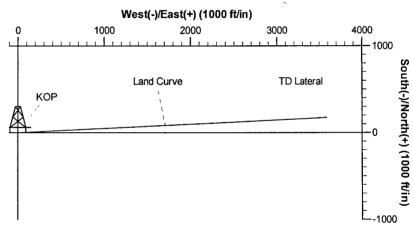
PROJECT DETAILS: Carson Natl Forest - S16, T32N, 4W

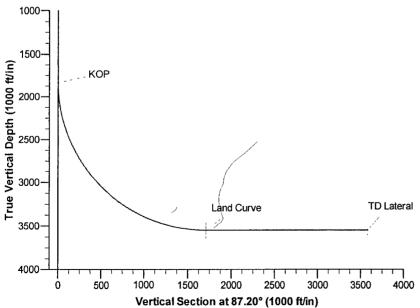
Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: New Mexico Central Zone

System Datum: Mean Sea Level



|     |        |       |       |        | SECTIO | ADEIAIL | .8   |         |        |            |
|-----|--------|-------|-------|--------|--------|---------|------|---------|--------|------------|
| 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 ' | 1836.0 | 0.00  | 0.00  | 1836.0 | 0.0    | 0.0     | 0.00 | 0.00    | 0.0    | KOP        |
| 3 4 | 1525.2 | 90.00 | 87.20 | 3548.0 | 83.6   | 1710.0  | 3.35 | 87.20   | 1712.0 | Land Curve |
| 4 ( | 3393.5 | 90.00 | 87.19 | 3548.0 | 175.0  | 3576.0  | 0.00 | -104.94 | 3580.3 | TD Lateral |





# Energen

### Plan Design

Project:

TUTO TO CONTRACT Company: Energen Resources

Carson Natl Forest - S16, T32N, 4W

Site:

Carracas Mesa Carracas 16 B #15

Design: Preli

Wellbore: Horizontal Completion Preliminary Plan

North Reference:

Survey Calculation Method: Database:

Local Co-ordinate Reference: Well Carracas 16 B #15

TVD Reference: KB @ 6819.0ft (Drilling Rig)

MD Reference: KB @ 6819.0ft (Drilling Rig)

True

Minimum Curvature

EDM 2003.16 Single User Db

| Planned Survey | <u> </u>    | , ,   |           | 2 7 7 7 2 8 2 7 7 7 9 8 7 7 7 7 8 7 7 7 7 7 7 7 7 7 7 | (1) 10 10 10 10 10 10 10 10 10 10 10 10 10 | 7 7 7 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 |           |
|----------------|-------------|-------|-----------|---|--|---|-----------|
|                | )<br>Ži Inc | Azi   | Build     | NIS   | E/W  | V. Sec                                  |           |
| (ft)           | (°)         | (°)   | (°/100ft) | N/S<br>(ft)   | (ft)                                       | پر(ft)                                  |           |
| 1,200.0        | 0.00        | 0.00  | 0.00      | 0.0   | 0.0  | 0.0                                     | Aller L'A |
| 1,300.0        | 0.00        | 0.00  | 0.00      | 0 0   | 0.0  | 0.0                                     |           |
| 1,400.0        | 0.00        | 0.00  | 0 00      | 0.0   | 0 0  | 0 0                                     |           |
| 1,500.0        | 0 00        | 0.00  | 0.00      | 0.0   | 0 0  | 0 0                                     |           |
| 1,600.0        | 0 00        | 0.00  | 0.00      | 0.0   | 0 0  | 0 0                                     |           |
| 1,700.0        | 0.00        | 0 00  | 0.00      | 0.0   | 0.0  | 0.0                                     |           |
| 1,727 0        | 0 00        | 0.00  | 0.00      | 0.0   | 0.0  | 0 0                                     |           |
|                |             |       | Nacir     | niento  |  |   |           |
| 1,800 0        | 0 00        | 0 00  | 0 00      | 0.0   | 0 0  | 0 0                                     |           |
| 1,836 0        | 0.00        | 0.00  | 0.00      | 0.0   | 0 0  | 0.0                                     |           |
|                |             |       | K         | OP  |  |   |           |
| 1,900 0        | 2.14        | 87 20 | 3 35      | 0.1   | 12   | 1 2                                     |           |
| 2,000.0        | 5 49        | 87.20 | 3.35      | 0.4   | 7.8  | 7.8                                     |           |
| 2,100 0        | 8 84        | 87.20 | 3 35      | 1.0   | 20.3                                       | 20 3                                    |           |
| 2,200.0        | 12.18       | 87.20 | 3 35      | 1.9   | 38 5                                       | 38.6                                    |           |
| 2,300.0        | 15,53       | 87.20 | 3 35      | 3.1   | 62.4                                       | 62 5                                    |           |
| 2,400 0        | 18 88       | 87 20 | 3.35      | 4.5   | 92.0                                       | 92.1                                    |           |
| 2,500.0        | 22.22       | 87.20 | 3 35      | 6.2   | 127 0                                      | 127 2                                   |           |
| 2,600 0        | 25.57       | 87.20 | 3.35      | 8.2   | 167 5                                      | 167 7                                   |           |
| 2,700.0        | 28.92       | 87 20 | 3.35      | 10.4  | 213 2                                      | 213 4                                   |           |
| 2,800 0        | 32.26       | 87.20 | 3 35      | 12 9  | 264.0                                      | 264.3                                   |           |
| 2,900.0        | 35 61       | 87.20 | 3.35      | 15.6  | 319 7                                      | 320 1                                   |           |
| 3,000.0        | 38.96       | 87.20 | 3.35      | 18.6  | 380.2                                      | 380 7                                   |           |
| 3,100 0        | 42 30       | 87.20 | 3.35      | 21.8  | 445.3                                      | 445 8                                   |           |
| 3,117 3        | 42 88       | 87.20 | 3.35      | 22 3  | 457.0                                      | 457 5                                   |           |
|                |             |       | Ojo A     | Alamo   |  |   |           |
| 3,200 0        | 45 65       | 87 20 | 3.35      | 25 2  | 514.6                                      | 515.2                                   |           |
| 3,300.0        | 49 00       | 87.20 | 3 35      | 28.7  | 588.0                                      | 588 7                                   |           |
| 3,316 9        | 49 56       | 87.20 | 3.35      | 29.4  | 600.8                                      | 601.5                                   |           |
|                |             |       | Kirt      | land  |  |   |           |
| 3,400.0        | 52 34       | 87.20 | 3 35      | 32 5  | 665.3                                      | 666.1                                   |           |
| 3,500 0        | 55 69       | 87 20 | 3 35      | 36.5  | 746.1                                      | 747.0                                   |           |
| 3,600 0        | 59 04       | 87.20 | 3.35      | 40.6  | 830.2                                      | 831.2                                   |           |
| 3,700 0        | 62.38       | 87 20 | 3.35      | 44.8  | 917.3                                      | 918.4                                   |           |
| 3,800.0        | 65.73       | 87 20 | 3.35      | 49.2  | 1,007.1                                    | 1,008.3                                 |           |
| 3,900 0        | 69 08       | 87 20 | 3 35      | 53.7  | 1,099 3                                    | 1,100.6                                 |           |
| 4,000.0        | 72.42       | 87.20 | 3.35      | 58.4  | 1,193.6                                    | 1,195 0                                 |           |
| 4,100.0        | 75.77       | 87 20 | 3.35      | 63 0  | 1,289.6                                    | 1,291 2                                 |           |
| 4,200.0        | 79 12       | 87.20 | 3 35      | 67.8  | 1,387.1                                    | 1,388.7                                 |           |
| 4,300 0        | 82.46       | 87.20 | 3.35      | 72.6  | 1,485.7                                    | 1,487.4                                 |           |
| 4,331 0        | 83 50       | 87.20 | 3.35      | 74 1  | 1,516.4                                    | 1,518.2                                 |           |
|                |             |       | Top Tar   | get Coal  |  |   |           |
| 4,400 0        | 85 81       | 87 20 | 3.35      | 77 5  | 1,585.0                                    | 1,586.9                                 |           |
| 4,500 0        | 89.16       | 87.20 | 3.35      | 82.4  | 1,684.8                                    | 1,686.8                                 |           |

### Energen

### Plan Design

Company:

\*\*\*\* Energen Resources

Carson Natl Forest - S16, T32N, 4W

Project: Site: Well:

🗽 🗀 Carracas Mesa Carracas 16 B #15

Wellbore:

\* Horizontal Completion Preliminary Plan

Local Co-ordinate Reference: Well Carracas 16 B #15
TVD Reference: KB @ 6819.0ft (Drilling Rig)
MD Reference: KB @ 6819.0ft (Drilling Rig)
True
Survey Calculation: Method: Minimum Curvature
Database: EDM 2003.16 Single User Db

| MD<br>(ft) | Inc (°) -/(- | Azi<br>(°) | Build<br>(°/100ft) | N/S<br>(ft) | E/W<br>(ft) | V. Sec  |
|------------|--------------|------------|--------------------|-------------|-------------|---------|
| 4,525.2    | 90 00        | 87.20      | 3.35               | 83.6        | 1,710.0     | 1,712.0 |
|            |              |            | Land               | Curve       |             |         |
| 4,600.0    | 90.00        | 87.20      | 0.00               | 87.3        | 1,784.7     | 1,786 8 |
| 4,700.0    | 90.00        | 87 20      | 0 00               | 92 1        | 1,884 5     | 1,886 8 |
| 4,800 0    | 90 00        | 87.20      | 0.00               | 97.0        | 1,984.4     | 1,986 8 |
| 4,900.0    | 90.00        | 87 20      | 0.00               | 101.9       | 2,084.3     | 2,086 8 |
| 5,000 0    | 90 00        | 87 20      | 0.00               | 106.8       | 2,184 2     | 2,186 8 |
| 5,100.0    | 90.00        | 87.20      | 0.00               | 111.7       | 2,284 1     | 2,286 8 |
| 5,200.0    | 90 00        | 87 20      | 0.00               | 116.6       | 2,383.9     | 2,386 8 |
| 5,300.0    | 90 00        | 87 20      | 0.00               | 121.5       | 2,483.8     | 2,486 8 |
| 5,400.0    | 90 00        | 87 20      | 0.00               | 126.4       | 2,583.7     | 2,586.8 |
| 5,500.0    | 90 00        | 87.20      | 0.00               | 131.2       | 2,683 6     | 2,686.8 |
| 5,600 0    | 90 00        | 87 19      | 0 00               | 136.1       | 2,783 5     | 2,786.8 |
| 5,700 0    | 90.00        | 87.19      | 0 00               | 141.0       | 2,883.3     | 2,886.8 |
| 5,800.0    | 90 00        | 87.19      | 0.00               | 145.9       | 2,983 2     | 2,986 8 |
| 5,900 0    | 90 00        | 87 19      | 0.00               | 150 8       | 3,083.1     | 3,086 8 |
| 6,000.0    | 90 00        | 87.19      | 0.00               | 155 7       | 3,183.0     | 3,186.8 |
| 6,100.0    | 90.00        | 87 19      | 0.00               | 160.6       | 3,282.9     | 3,286 8 |
| 6,200 0    | 90.00        | 87 19      | 0.00               | 165.5       | 3,382.7     | 3,386.8 |
| 6,300.0    | 90.00        | 87 19      | 0.00               | 170.4       | 3,482 6     | 3,486.8 |
| 6,393.5    | 90 00        | 87 19      | 0.00               | 175.0       | 3,576.0     | 3,580.3 |
|            |              |            | ו חד               | ateral      |             |         |

### Energen

### Plan Design

Company: Energen Resources
Project: Carson Natl Forest - S16, T32N, 4W

Site: Carracas Mesa
Well: Carracas 16 B #15 Well: Wellbore: Design: - Horizontal Completion Preliminary Plan

Local Co-ordinate Reference: Well Carracas 16 B #15

TVD Reference:

KB @ 6819.0ft (Drilling Rig)

MD Reference:

KB @ 6819.0ft (Drilling Rig)

North Reference:

True

Survey Calculation Method: Minimum Curvature
Database: EDM 2003.16 Single User Db

| Design:                                   | minary Plan | ,        | v «,. ».    | , , , , , ,   | Jatabase:     | ARCELLO.        | EDM 2003.10 | Single User Ub  | CARCE TO BE THE COLUMN |
|---|-------------|----------|-------------|---------------|---------------|-----------------|-------------|-----------------|------------------------|
| Targets Target Name hit/miss target Shape | Dip Angle   | Dip Dir. | TVD<br>(ft) | +N/-s<br>(ft) | +E/-W<br>(ft) | Northing<br>(m) | Easting (m) | Latitude .      | Longitude              |
| Land Curve - plan hits target - Point     | 0 00        | 0.00     | 3,548 0     | 83.6          | 1,710 0       | 664,202.48      | 410,082 44  | 36° 59' 3.406 N | 107° 15' 36.201 W      |
| KOP - plan hits target - Point            | 0.00        | 0 00     | 1,836 0     | 0.0           | 0 0           | 664,182 56      | 409,560.99  | 36° 59' 2.580 N | 107° 15' 57.276 W      |
| TD Lateral - plan hits target - Point     | 0 00        | 0 00     | 3,548 0     | 175.0         | 3,576 0       | 664,224.27      | 410,651.46  | 36° 59' 4.308 N | 107° 15' 13.202 W      |

| Formations          | , |               |
|---------------------|---|---------------|
|                     |   |               |
| Measured Vertical   |   | Dip           |
| Depth Depth         |   | Dip Direction |
| (ft) (ft) (ft) (ft) | Name Lithology                          |               |
| 3,316 9 3,139.0     | Kırtland                                | 0.00          |
| 4,331 0 3,537.0     | Top Target Coal                         | 0.00          |
| 3,560 0             | Base Target Coal                        | 0 00          |
| 1,727 0 1,727.0     | Nacimiento                              | 0.00          |
| 3,117 3 3,001.0     | Ojo Alamo                               | 0.00          |

| Checked By: | Approved By: | <br>Date: |  |
|-------------|--------------|-----------|--|
|             | <br>• •      |           |  |

#### SURFACE USE PLAN OF OPERATIONS

### **Energen Resources Corporation Carracas 16B #15**

### A. Existing Roads – Refer to Exhibit A

Directions to the location are as follows:

From the intersection of US Hwy 64 & Forest Road 310 (approximately 47 miles east of Bloomfield New Mexico);

Travel north on Forest Road 310 for 19.3 miles:

Turn left on Forest Road 218 and travel 6.6 miles:

Turn right on Forest Road 218A and travel 2.3 miles;

Turn right on Forest Road 218A2 and travel 0.4 mile to the Carracas Unit 16B #12 well pad.

The proposed well will twin the existing Carracas Unit 16B #12 well.

All existing roads used to access the location shall be maintained in the same or better condition than presently maintained.

#### B. New or Reconstructed Access Roads

No new access road construction will be required as the proposed well would twin an existing location.

### C. Location of Existing Wells – Refer to Exhibit B

There are 6 existing wells within 1 mile of the proposed location. Five of the wells are currently active and one is plugged and abandoned.

### D. Location of Existing and/or Proposed Production Facilities

On the Well Pad – Refer to Well Pad Cut and Fill Plats and Exhibit C. The proposed well will twin the existing Carracas Unit 16B #12. Existing facilities on the Carracas Unit 16B #12 include, but are not limited to, the well head, storage tanks, a separator unit, automation and gas measurement equipment, meter run, and associated lines. If the proposed well is productive, it will initially be equipped with similar facilities. If necessary, a wellhead compressor and pumping unit may be installed at some future date. All equipment will be installed in an appropriate manner within the boundaries of the well pad. A minimum distance of 50 feet will be maintained between individual production facilities. Specific location of equipment on the pad will be determined after the well is drilled.

Pipelines – Refer to Pipeline Plat (Russell Surveying, Inc. August 8, 2007). The proposed pipeline will be approximately 2,118 feet long and will take-off from an existing Energen Resources pipeline in the southeast quarter of the northwest quarter of Section 16. A water pipeline would also be laid in the trench along with the proposed gas pipeline. Additional facilities off the well pad will be applied for as required.

### E. Location and Types of Water Supply

Due to the presence of adequate clay material on the location site, produced water will be utilized in the drilling operations of this well according to the terms of the Beneficial Use Permit on file with

# **DRILLING CONDITIONS OF APPROVAL**

Operator:

**Energen Resources** 

Lease No.:

NMNM-30014

Well Name:

Carracas 16 B #15

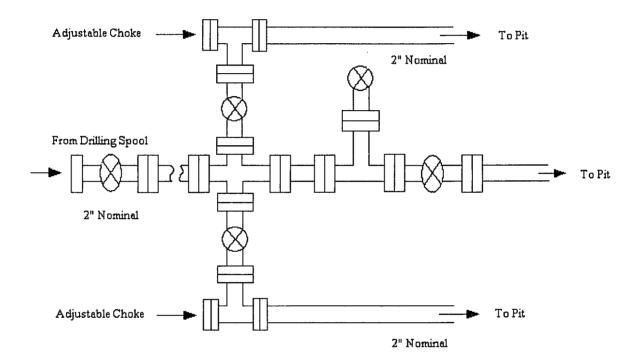
Well Location:

Sec. 16, T32N, R04W; 1705' FSL & 940' FWL

1. Since no BOPE test pressures were proposed, it is recommended that Energen Resources test the BOP and related equipment according to Onshore Order No. 2 *Minimum Standards and Enforcement Provisions For Well Control Equipment Testing*.

# **Energen Resources Corporation**

Typical 2000 psi Choke Manifold Configuration



Choke manifold installed from surface to TD

# **Energen Resources Corporation**

Typical BOP Configuration for Gas Drilling

