

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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.

APR 22 2010

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Energen Resources Corporation

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)
1,075' FSL & 1,450' FEL, Sec: 13, T:25N, R:09W, Unit: o

5. Lease Serial No.

N00-C-14-20-5014

6. If Indian, Allottee or Tribe Name

Navajo Nation

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

8. Well Name and No.

Hosteen Nez Begay
#1

9. API Well No.

30-045-23875

10. Field and Pool, or Exploratory Area
Basin Dakota

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

- ☒ 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.)

Energen Resources intends to P&A the subject well according to the attached procedure.

RCVD APR 26 '10

OIL CONS. DIV.

DIST. 3

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

Andrew Soto

Title District Engineer

Signature

Date 4/16/10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason

Title

Date

APR 23 2010

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.

PLUG AND ABANDONMENT PROCEDURE

February 2, 2010

Hosteen Nez Begay #1

Basin Dakota

1075' FSL & 1450' FEL, Section 13, T25N, R9W, San Juan County, New Mexico

API 30-045-23875/ Lat: _____ Long: _____

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 Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.

1. This project requires the Operator to obtain an approved NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.
2. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.
3. Rods: Yes _____, No X, Unknown _____;
Tubing: Yes X, No _____, Unknown _____, Size 2.375", Length 6317';
Packer: Yes X, No _____, Unknown _____, Type unknown type @ 4069.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.
4. **Plug #1 (Dakota perforations and tops, 6192' – 6092')**: RIH and set 4.5" cement retainer at 6192'. Pressure test tubing to 1000 PSI. Load casing with water and circulate well clean. Pressure test casing. If casing does not test, spot or tag subsequent plugs as appropriate. Mix 12 sxs Class B cement and spot a balanced plug above CR to cover the Dakota interval. PUH.
5. **Plug #2 (Gallup top, 5375' – 5275')**: Mix and pump 12 sxs Class B cement and spot a balanced plug inside casing to cover the Gallup top. PUH.
6. **Plug #3 (Mesaverde top, ^{2714 2614}3424' – 3324')**: Mix and pump 12 sxs Class B cement and spot a balanced plug inside casing to cover the Mesaverde top. PUH.
7. **Plug #4 (Pictured Cliffs and Fruitland tops, 1879' – ¹⁴⁹²1545')**: Mix and pump 30 sxs Class B cement and spot a balanced plug inside casing to cover through the Fruitland top. PUH.
7. **Plug #5 (Kirtland and Ojo Alamo tops, ^{2 960}1260' – 972')**: Mix and pump 26 sxs Class B cement and spot a balanced plug inside casing to cover through the Ojo Alamo top. TOH and LD tubing.
9. **Plug #6 (8.625" casing shoe, 259' – 0')**: Perforate 3 HSC squeeze holes at 259'. Establish circulation to surface down the 4.5" casing and bradenhead valve, circulate the BH annulus clean.

Mix approximately 85 sxs Class B cement and pump down the 4.5" casing to circulate good cement to the surface. Shut in well and WOC.

10. 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.

**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: 1 Hosteen Nez Begay

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 Mesaverde plug from 2714' – 2614'.
 - b) Place the Pictured Cliffs/Fruitland plug from 1879' – 1492'.
 - c) Place the Kirtland/Ojo Alamo plug from 1262' – 960'.

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.