Form 3160-3
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
OCT 12 2010
Farmington Field Office
Bureau of Land Management

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: USA SF 079011

1a. Type of Work: [ ] DRILL [X] REENTER

6. If Indian, Allotee or Tribe Name:

1b. Type of Well: [ ] Oil Well [ ] Gas Well [ ] Other [X] Single Zone [ ] Multiple Zone

7. Unit or CA Agreement Name and No.:

2. Name of Operator: Energen Resources Corporation

8. Lease Name and Well No.: SAN JUAN 32-5 UNIT #101 H

3a. Address: 2010 Afton Place Farmington, New Mexico 87401

3b. Phone No. (include area code): (505)325-6800

9. API Well No.: 30-039-27263

4. Location of Well (Report location clearly and in accordance with any State equirements)*

At surface: Sec.23-T32N-R06W; 710'FSL, 780'FEL

At proposed prod. zone: Sec.23-T32N-R06W; 1500'FSL, 2500'FEL

10. Field and Pool, or Exploratory: Basin Fruitland Coal

11. Sec., T., R., M., or Blk. and Survey or Area: P Sec.23-T32N-R06W

14. Distance in miles and direction from nearest town or post office*: 9 miles from Arboles

12. County or Parish: Rio Arriba

13. State: NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any)	16. No. of Acres in lease	17. Spacing Unit dedicated to this well
710'	1480	320 E/2

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. on file
101'	4787'MD	

21. Elevations (Show whether DF, KDB, RT, GL, etc.	22. Approximate date work will start*	23. Estimated duration
6331'GL	04/01/2011	10 days

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the BLM

RCVD MAR 17 '11
OIL CONS. DIV.
DIST. 3

25. Signature	Name (Printed/Typed)	Date
Stephen Byers (signature)	Stephen Byers	09-28-2010

Title: Drilling Engineer

Approved by (Signature)	Name (Printed/Typed)	Date
(signature)		3/11/11

Title	Office
AFM	FFO

Application approval 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.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Continued on page 2)

*(Instructions on page 2)

START mud Log when window is cut in csg
file mud Log

Hold C104 for Directional Survey and "As Drilled" plat & mud log

MAR 30 2011
NMOCD

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

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

RECEIVED
OCT 12 2010
Farmington Field Office
Bureau of Land Management

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-039-27263	71629	Basin Fruitland Coal

[4] Property Code	[5] Property Name	[6] Well Number
21996	San Juan 32-5 Unit	101S

[7] OGRID No.	[8] Operator Name	[9] Elevation
162928	ENERGEN RESOURCES CORPORATION	6331'

[10] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	23	32N	6W		710	SOUTH	780	EAST	RIO ARRIBA

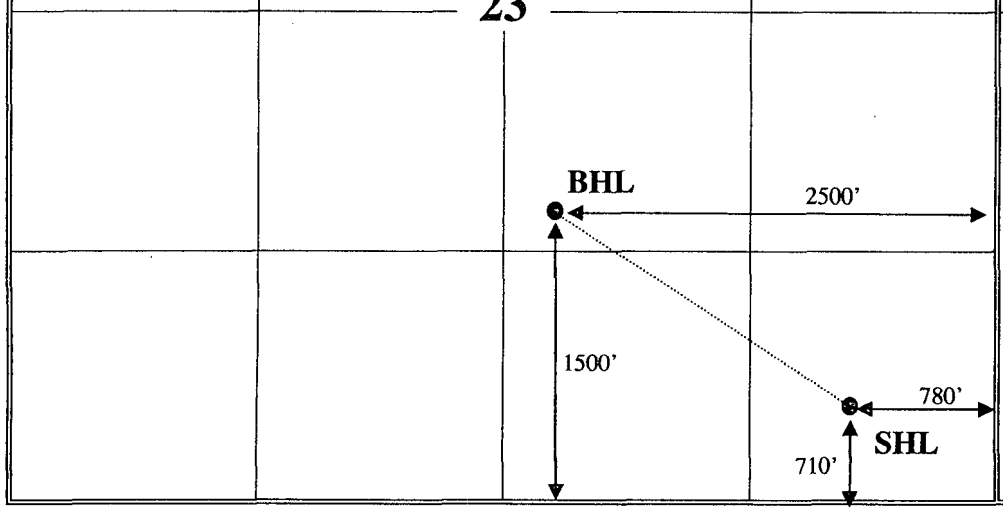
[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K J	23	32N	6W		1500	SOUTH	2500	EAST	RIO ARRIBA

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320 E/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.

16



[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 of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Stephen Byers — 09/28/2010
Signature — Date

STEPHEN BYERS
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.

OCTOBER 25, 2002
Date of Survey

Original Survey Conducted and Recorded By: Jason C. Edwards

15269
Certificate Number

9/29/2010

ENERGEN RESOURCES

OPERATIONS PLAN

WELL NAME.....San Juan 32-5 Unit #101S
JOB TYPE.....Re-entry Sidetrack
DEPT.....Drilling and Completions
RIG.....D & J #1
PREPARED BY.....Stephen Byers

General Information

Surface Location	710 FSL 780 FEL
S-T-R	(P) Sec.23, T32N, R6W
Bottom Hole Location	1500 FSL 2500 FEL
S-T-R	(K) Sec.23, T32N, R6W
County, State	Rio Arriba, New Mexico
Elevations	6331' GL
Total Depth	4787' +/- (MD); 2987' (TVD)
Formation Objective	Basin Fruitland Coal

Formation Tops

Top Target Coal	**2972' (TVD)**
Base Target Coal	**3002' (TVD)**
Total Depth	**2987' (TVD), 4787' +/- (MD)**

Drilling

1. Set whipstock on top of the composite bridge plug left by the workover rig.
2. Orientate the whipstock at an azimuth of 295°. KOP is 2772' Kirtland
3. Run in hole with a 6-1/4" milling assembly and mill window and 30' of formation
4. Pick up 6-1/4" directional tools and follow attached directional plan
   a. The build section will be drilled with and LSND or polymer and water as directed by the mud engineer.
   b. The mud density range for the lateral section should range from 8.5-8.8 ppg based on offset data.
5. Pull out of hole. If problems are encountered before reaching the window run back to bottom and condition well for casing run. If problems are encountered continue pulling out and pick up a cleanout assembly.
6. Prior to running liner and hook hanger system, trip in hole and retrieve whipstock.
7. Run 4-1/2" 11.6# J-55 pre-drilled liner and hanger system through window.

Blowout Control Specifications:

A 3000 psi minimum double ram or annulus BOP stack 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. **Pressure test BOP to 250 psi for 15 min and 2000 psi for 15 min.**

Logging Program:

Open hole logs: None
Mudlogs: From KOP to TD.
Coring: None
Surveys: Every 250' while directional drilling to TD.

ENERGEN RESOURCES

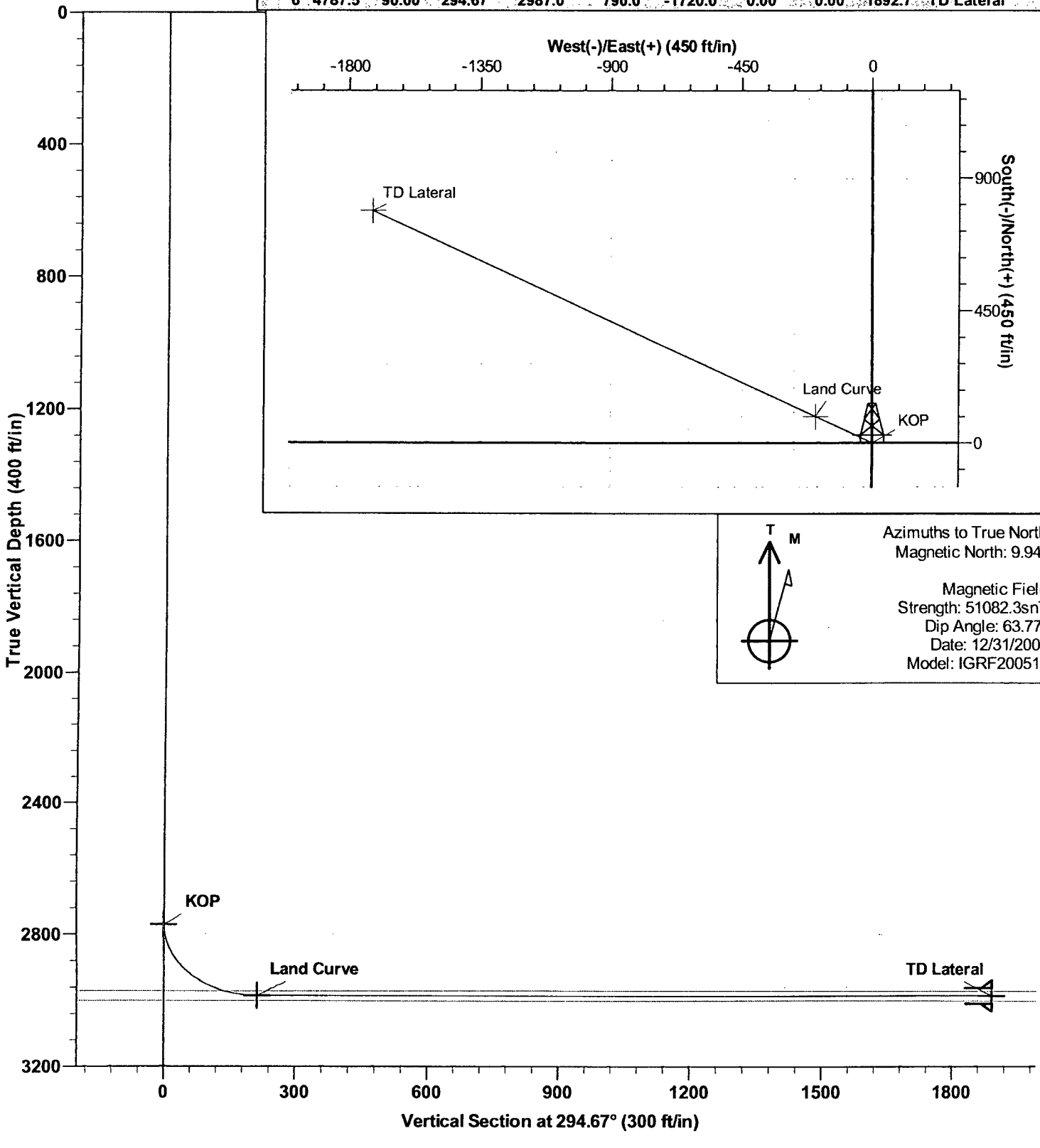
Project: SJBR Sec.23-T32N-R6W
Site: Eul Canyon
Well: San Juan 32-5 Unit #101S ST
Wellbore: Re-Entry Sidetrack OPE FTC

PROJECT DETAILS:

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

SECTION DETAILS

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	2772.0	0.00	0.00	2772.0	0.0	0.0	0.00	0.00	0.0	KOP
3	2940.8	45.00	294.65	2924.0	26.3	-57.2	26.65	294.65	63.0	
4	2940.9	45.00	294.65	2924.0	26.3	-57.3	0.00	0.00	63.0	
5	3109.7	90.00	294.67	2987.0	89.7	-195.4	26.65	0.03	215.0	Land Curve
6	4787.5	90.00	294.67	2987.0	790.0	-1720.0	0.00	0.00	1892.7	TD Lateral



Energen

DIRECTIONAL PLAN

Company:	Energen Resources	**Local Co-ordinate Reference:**	Well San Juan 32-5 Unit #101S ST
Project:	SJBR Sec.23-T32N-R6W	**TVD Reference:**	KB @ 6346.0ft (KB)
Site:	Eul Canyon	**MD Reference:**	KB @ 6346.0ft (KB)
Well:	San Juan 32-5 Unit #101S ST	**North Reference:**	True
Wellbore:	Re-Entry Sidetrack OPE FTC	**Survey Calculation Method:**	Minimum Curvature
Design:	Plan #1	**Database:**	EDM 2003.16 Single User Db

Project	SJBR Sec.23-T32N-R6W		
Map System:	US State Plane 1983	**System Datum:**	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Central Zone		

Site	Eul Canyon				
Site Position:		**Northing:**	2,171,070.21 ft	**Latitude:**	36° 57' 38.340 N
From:	Lat/Long	**Easting:**	1,298,517.20 ft	**Longitude:**	107° 25' 12.900 W
Position Uncertainty:	0.0 ft	**Slot Radius:**	"	**Grid Convergence:**	-0.70 °

Well	San Juan 32-5 Unit #101S ST					
Well Position	**+N/-S**	0.0 ft	**Northing:**	2,171,070.21 ft	**Latitude:**	36° 57' 38.340 N
	+E/-W	0.0 ft	**Easting:**	1,298,517.20 ft	**Longitude:**	107° 25' 12.900 W
Position Uncertainty		0.0 ft	**Wellhead Elevation:**	6,331.0 ft	**Ground Level:**	6,331.0 ft

Wellbore	Re-Entry Sidetrack OPE FTC			
Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF200510	12/31/2009	9.94	63.77	51,082

Design	Plan #1				
Audit Notes:					
Version:		**Phase:**	PROTOTYPE	**Tie On Depth:**	0.0
Vertical Section:	**Depth From (TVD) (ft)**	**+N/-S (ft)**	**+E/-W (ft)**	**Direction (°)**	
	0.0	0.0	0.0	294.67	

Survey Tool Program **Date** 9/3/2010

From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description
0.0	4,787.5	Plan #1 (Re-Entry Sidetrack OPE FTC)	MWD	MWD - Standard

Planned Survey

MD (ft)	TVD (ft)	Inc (°)	Azi (°)	Build (°/100ft)	N/S (ft)	E/W (ft)	V. Sec (ft)
0.0	0.0	0.00	0.00	0.00	0.0	0.0	0.0
100.0	100.0	0.00	0.00	0.00	0.0	0.0	0.0
200.0	200.0	0.00	0.00	0.00	0.0	0.0	0.0
300.0	300.0	0.00	0.00	0.00	0.0	0.0	0.0
400.0	400.0	0.00	0.00	0.00	0.0	0.0	0.0
500.0	500.0	0.00	0.00	0.00	0.0	0.0	0.0
600.0	600.0	0.00	0.00	0.00	0.0	0.0	0.0
700.0	700.0	0.00	0.00	0.00	0.0	0.0	0.0
800.0	800.0	0.00	0.00	0.00	0.0	0.0	0.0
900.0	900.0	0.00	0.00	0.00	0.0	0.0	0.0
1,000.0	1,000.0	0.00	0.00	0.00	0.0	0.0	0.0
1,100.0	1,100.0	0.00	0.00	0.00	0.0	0.0	0.0

Energen

DIRECTIONAL PLAN

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Wellbore:	Re-Entry Sidetrack OPE FTC	**Survey Calculation Method:**	Minimum Curvature
Design:	Plan #1	**Database:**	EDM 2003.16 Single User Db

Planned Survey

MD (ft)	TVD (ft)	Inc (°)	Azi (°)	Build (°/100ft)	N/S (ft)	E/W (ft)	V. Sec (ft)
1,200.0	1,200.0	0.00	0.00	0.00	0.0	0.0	0.0
1,300.0	1,300.0	0.00	0.00	0.00	0.0	0.0	0.0
1,400.0	1,400.0	0.00	0.00	0.00	0.0	0.0	0.0
1,500.0	1,500.0	0.00	0.00	0.00	0.0	0.0	0.0
1,600.0	1,600.0	0.00	0.00	0.00	0.0	0.0	0.0
1,700.0	1,700.0	0.00	0.00	0.00	0.0	0.0	0.0
1,800.0	1,800.0	0.00	0.00	0.00	0.0	0.0	0.0
1,900.0	1,900.0	0.00	0.00	0.00	0.0	0.0	0.0
2,000.0	2,000.0	0.00	0.00	0.00	0.0	0.0	0.0
2,100.0	2,100.0	0.00	0.00	0.00	0.0	0.0	0.0
2,200.0	2,200.0	0.00	0.00	0.00	0.0	0.0	0.0
2,300.0	2,300.0	0.00	0.00	0.00	0.0	0.0	0.0
2,400.0	2,400.0	0.00	0.00	0.00	0.0	0.0	0.0
2,500.0	2,500.0	0.00	0.00	0.00	0.0	0.0	0.0
2,600.0	2,600.0	0.00	0.00	0.00	0.0	0.0	0.0
2,700.0	2,700.0	0.00	0.00	0.00	0.0	0.0	0.0
2,772.0	2,772.0	0.00	0.00	0.00	0.0	0.0	0.0
			KOP				
2,780.0	2,780.0	2.13	294.65	26.65	0.1	-0.1	0.1
2,800.0	2,799.9	7.46	294.65	26.65	0.8	-1.7	1.8
2,820.0	2,819.6	12.79	294.65	26.65	2.2	-4.9	5.3
2,840.0	2,838.9	18.13	294.65	26.65	4.4	-9.7	10.7
2,860.0	2,857.6	23.46	294.65	26.65	7.4	-16.1	17.8
2,880.0	2,875.5	28.79	294.65	26.65	11.1	-24.1	26.6
2,900.0	2,892.6	34.12	294.65	26.65	15.4	-33.6	37.0
2,920.0	2,908.6	39.45	294.65	26.65	20.4	-44.5	49.0
2,940.8	2,924.0	45.00	294.65	26.66	26.3	-57.2	63.0
2,940.9	2,924.0	45.00	294.65	0.00	26.3	-57.3	63.0
2,960.0	2,936.9	50.09	294.65	26.65	32.2	-70.1	77.1
2,980.0	2,949.0	55.43	294.66	26.65	38.8	-84.5	93.0
3,000.0	2,959.6	60.76	294.66	26.65	45.9	-100.0	110.0
3,020.0	2,968.5	66.09	294.66	26.65	53.3	-116.2	127.9
3,028.9	2,972.0	68.47	294.66	26.65	56.8	-123.7	136.1
			Top Target Coal				
3,040.0	2,975.8	71.42	294.66	26.65	61.1	-133.1	146.5
3,060.0	2,981.3	76.75	294.67	26.65	69.1	-150.6	165.7
3,080.0	2,984.9	82.08	294.67	26.65	77.3	-168.5	185.4
3,100.0	2,986.8	87.41	294.67	26.65	85.6	-186.6	205.3
3,109.7	2,987.0	90.00	294.67	26.65	89.7	-195.4	215.0
			Land Curve				
3,200.0	2,987.0	90.00	294.67	0.00	127.4	-277.4	305.3
3,300.0	2,987.0	90.00	294.67	0.00	169.1	-368.3	405.3
3,400.0	2,987.0	90.00	294.67	0.00	210.9	-459.2	505.3
3,500.0	2,987.0	90.00	294.67	0.00	252.6	-550.1	605.3
3,600.0	2,987.0	90.00	294.67	0.00	294.3	-640.9	705.3

Energen

DIRECTIONAL PLAN

Company:	Energen Resources	**Local Co-ordinate Reference:**	Well San Juan 32-5 Unit #101S ST
Project:	SJBR Sec.23-T32N-R6W	**TVD Reference:**	KB @ 6346.0ft (KB)
Site:	Eul Canyon	**MD Reference:**	KB @ 6346.0ft (KB)
Well:	San Juan 32-5 Unit #101S ST	**North Reference:**	True
Wellbore:	Re-Entry Sidetrack OPE FTC	**Survey Calculation Method:**	Minimum Curvature
Design:	Plan #1	**Database:**	EDM 2003.16 Single User Db

Planned Survey

MD (ft)	TVD (ft)	Inc (°)	Azi (°)	Build (°/100ft)	N/S (ft)	E/W (ft)	V. Sec (ft)
3,700.0	2,987.0	90.00	294.67	0.00	336.1	-731.8	805.3
3,800.0	2,987.0	90.00	294.67	0.00	377.8	-822.7	905.3
3,900.0	2,987.0	90.00	294.67	0.00	419.6	-913.6	1,005.3
4,000.0	2,987.0	90.00	294.67	0.00	461.3	-1,004.4	1,105.3
4,100.0	2,987.0	90.00	294.67	0.00	503.0	-1,095.3	1,205.3
4,200.0	2,987.0	90.00	294.67	0.00	544.8	-1,186.2	1,305.3
4,300.0	2,987.0	90.00	294.67	0.00	586.5	-1,277.0	1,405.3
4,400.0	2,987.0	90.00	294.67	0.00	628.3	-1,367.9	1,505.3
4,500.0	2,987.0	90.00	294.67	0.00	670.0	-1,458.8	1,605.3
4,600.0	2,987.0	90.00	294.67	0.00	711.7	-1,549.7	1,705.3
4,700.0	2,987.0	90.00	294.67	0.00	753.5	-1,640.5	1,805.3
4,787.5	2,987.0	90.00	294.67	0.00	790.0	-1,720.0	1,892.7
				TD Lateral			

Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
Land Curve - plan hits target - Point	0.00	0.00	2,987.0	89.7	-195.4	2,171,162.30	1,298,322.91	36° 57' 39.227 N	107° 25' 15.307 W
TD Lateral - plan hits target - Point	0.00	0.00	2,987.0	790.0	-1,720.0	2,171,881.27	1,296,807.03	36° 57' 46.150 N	107° 25' 34.092 W
KOP - plan hits target - Point	0.00	0.00	2,772.0	0.0	0.0	2,171,070.21	1,298,517.20	36° 57' 38.340 N	107° 25' 12.900 W

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (")	Hole Diameter (")
4,787.0	2,987.0	Liner	4-1/2	6-1/4

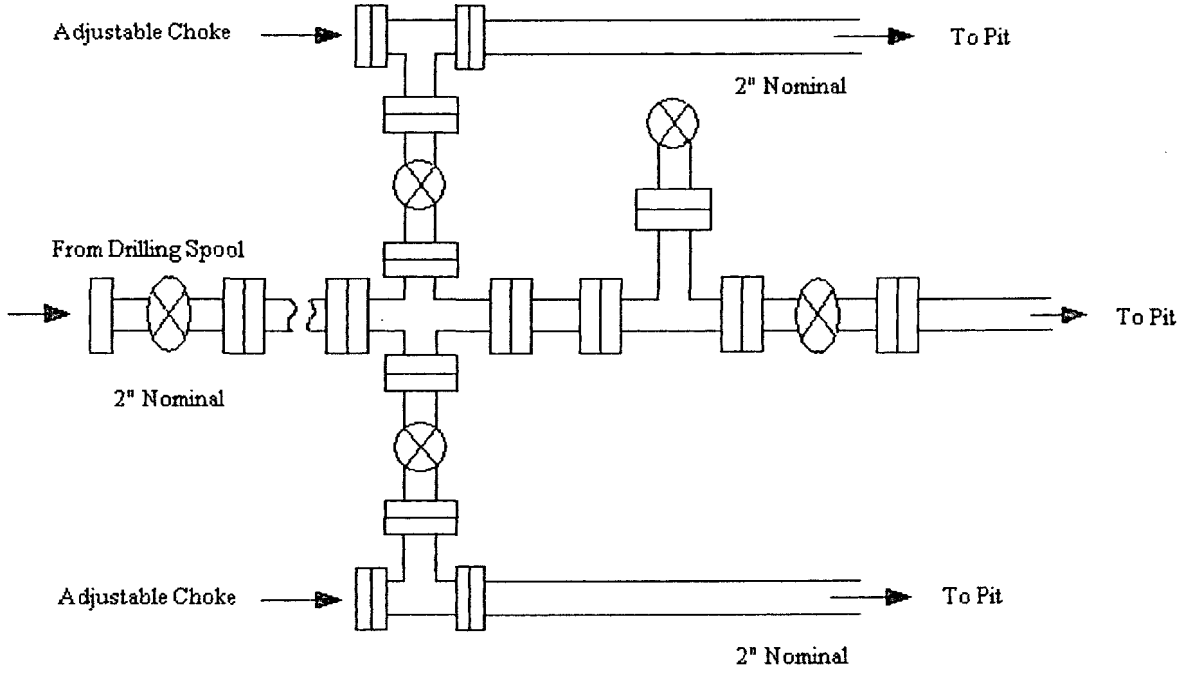
Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
3,028.9	2,972.0	Top Target Coal		0.00	
	3,002.0	Base Target Coal		0.00	

Checked By: _____ Approved By: _____ Date: _____

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