Form 3160-5 (July 1992)

APPROVED BY

! NITED STATES

BUREAU OF LAND MANAGEMENT

Expires:	Feb	ruary	28,	19
OMB I	NO.	1004-	013	6
FORM	AP.	PROV	ED	

SUBMIT IN TRIPLICATE* (Other instructions on reverse side) 5. LEASE DESIGNATION AND SERIAL NO. **DEPARTMENT OF THE INTERIOR** SF-081181

. TYPE OF WORK	3 UNIT AGREEMENT NAME	
. TYPE OF WORK		
DRILL X DEEPEN L	San Juan 32-5 Unit	
OIL GAS X OTHER SINGLE X MULTIPLE OTHER	8. FARM OR LEASE NAME, WELL NO. San Juan 32-5 Unit 6B	
NAME OF OPERATOR	/	
NERGEN RESOURCES CORPORATION ADDRESS AND TELEPHONE NO.	9. API WELL NO. 30-039-26425	
2198 Bloomfield Highway; Farmington, NM 87401	10. FIELD AND POOL, OR WILDCAT	
LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)	Blanco Mesaverde	
At surface 2605' FSL, 2190' FWL MAY 2000	11. SEC., T., R., M., OR BLK.	
At proposed prod. zone	AND SURVEY OR AREA Sec. 25, T32N, R6W, N.M.P.	
5. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*	12. COUNTY OR PARISH 13. STATE	
Eight (8) miles SE of Arboles, Colorado	Rio Arriba NM	
5. DISTANCE FROM PROPOSED* LOCATION TO NEAREST 16. NO. OF ACKESTO LEASE 17. RO. OF ACKESTO LEASE 17. RO. OF ACKESTO LEASE	ACRES ASSIGNED WELL	
PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line, if any) 2170' 1480	320 W/2	
DISTANCE EDOM PROPOSED I OCATION* 19. PROPOSED DEPTH 20. ROTAK	y or cable tools	
OR APPLIED FOR, ON THIS LEASE, IT. 1200	Rotary	
1. ELEVATIONS (Show whether DF,RT, GR, etc.)	22. APPROX. DATE WORK WILL START*	
5347'		
3. PROPOSED CASING AND CEMENTING PROGRAM		
SIZE OF HOLE GRADE, SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH	QUANTITY OF CEMENT	
12 1/4	130 cu. ft., circ. to surface	
0 3/4	824 cu. ft., circ. to surface 399 cu. ft., circ. liner	
6 1/4 4 1/2 10.5# 3504'-6094'~ 399 c	u. 10., Circ. Tiller	
N ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and propose directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program.	osed new productive zone. If proposal is to drill can, if any.	
SIGNED	DATE 4/4/2000	
(This space for Federal or State office use)		
PERMIT NO. — APPROVAL DATE		
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 holds legal or equitable title to those rights in the subject lease which would entitle the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant holds legal or equitable title to those	pplicant to conduct operations thereon. MAY 7 2000	

*See Instructions On Reverse Side Title 18 U.S.C. Section 1001, 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.

- TITLE -

- DATE -

istrict I State of New Mexico Form C-102 0 80x 1980, Hobbs, NM 88241-1980 Revised February 21, 1994 Energy, Minerals & Natural Resources Department Instructions on back istrict II Submit to Appropriate District Office O Drawer DD, Artesia, NM 88211-0719 OIL CONSERVATION DIVISION State Lease - 4 Copies Fee Lease - 3 Copies PO Box 2088 000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87504-2088 AMENDED REPORT istrict IV O Box 2088, Santa Fe, NM 87504-2088 WELL LOCATION AND ACREAGE DEDICATION PLATA 'API Number ²Pool Code 30-039-26475 72319 Blanco Mesaverde Property Code Property Name "Well Number <u> 2</u>1996 TINU 2-SE NAUL NAZ 6B 'OGRID No. *Operator Name *Elevation 162928 ENERGEN RESOURCES CORPORATION 5347 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 RIO К 25 35N 6W 2605 SOUTH 2190 WEST ARRIBA 11 Bottom Hole Location If Different From Surface Township UL or lot no. Section Feet from the North/South line Feet from the County ² Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No. 320 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 17 OPERATOR CERTIFICATION 2638.68 2656.50' 96 2709. 2648 Signature Gary Brink Printed Name Production Superintendant Title 4 4 Date 18 SURVEYOR CERTIFICATION 2190' 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. FEBRUARY 14, 2000

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5415.96

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Date of St

Certificate

WHE TO

6857

BOP SPECIFICATIONS:

An 11" 2000 psi minimum double gate BOP stack (Figure 1) 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 be used. An upper Kelly Cock valve with handle available and drill string valve to fit each drill string will be available on the rig floor during drilling operations.

CEMENTING:

9 5/8" surface casing - cement with 110 sks Class B Cement with ¼" flocele/sk and 2% calcium chloride (130 cu. ft. of slurry, 100% excess to circulate to surface). WOC 12 hrs. Test casing to 600# for 30 minutes.

Texas Pattern Guide Shoe on bottom. 3 bow type centralizers spaced throughout the string.

7" intermediate casing – cement with 365 sks 65/35 Class B Poz with 6% gel, 2% calcium chloride, 10% gilsonite, and ½# flocele/sk. Tail with 100 sks Class B w/2% calcium chloride, 10% gilsonite and ½# flocele/sk. (824 cu. ft. of slurry, 50% excess to circulate to surface). WOC 12 hrs. If cement does not circulate, run temperature survey in 8 hrs. to determine TOC. Test casing to 1200 psi for 30 minutes.

Cement nose guide shoe on bottom with a self-fill insert float valve on top of shoe joint. 10 bow spring centralizers spaced every 2nd joint off bottom. Two turbolating centralizers at the base of the Ojo Alamo.

4 ½" Production Liner

Cement with 315 sks 50/50 Poz with 2% gel, 5 PPS gilsonite, and .4% halad – 9 and ¼# flocele/sk (399 cu. ft., 50% excess to tie into intermediate casing string). WOC 18 hrs. prior to completion.

Cement nose guide shoe on bottom with float collar on top of shoe joint. Liner hanger will have neopreme packoff on top.

OTHER INFORMATION:

- 1) The Blanco Mesa Verde will be completed.
- 2) No abnormal temperatures or pressures are anticipated.
- 3) Anticipated pore pressure for the Mesa Verde is 1000.
- 4) If lost circulation is encountered sufficient LCM will be added to the mud system to maintain well control.
- 5) This gas is dedicated.
- 6) Anticipated pore pressure for the Fruitland is 700 psi and the Pictured Cliffs is 800 psi.

2605' FSL & 2190' FWL, SECTION 25, T32N, R6W, N.M.P.M. RIO ARRIBA COUNTY, NEW MEXICO Quintana 36

ENERGEN RESOURCES CORPORATION SAN JUAN 32-5 UNIT #68