

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: May 5th, 2014

Application Type:

- P&A
 Drilling/Casing Change
 Recomplete/DHC
 Location Change
 Other: SQZ Coal perms

Well information:

APIWELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf. Owner	UL	Sec	Twp	N/S	Rng	W/E
30-039-27058-00-00	CARSON	012	ENERGEN RESOURCES CORPORATION	G	A	Rio Arriba	F	H	28	30	N	4	W

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations

Notify agencies 24 hours prior to pressure test of perforations' squeeze

NMOCD Approved by Signature

5/7/14

Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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

MAY 05 2014

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.

Farmington Field Office
Bureau of Land Management

5. Lease Serial No.
NMSF079486

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Carson # 12

9. API Well No.
30-039-27058

10. Field and Pool, or Exploratory Area
Basin Fruitland Coal/East Blanco Pictured Cliffs

11. County or Parish, State
Rio Arriba NM

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)
1425' FNL, 1235' FEL, Sec. 28, T30N R04W, N.M.P.M.

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Plug Fruitland, Pay-add Pictured Cliffs</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 plans to plug the Fruitland Coal perforations and pay add the Pictured Cliffs. See attached for procedure.

This will be a closed loop operation.

OIL CONS. DIV DIST. 3

MAY 07 2014

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed) Justin Anchors Title District Engineer
Signature *Justin Anchors* Date 5/5/14

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason Title
Office

MAY 06 2014

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.

NMOCOD

Energen Resources Corp.

Carson #12

API# 30-039-27058

DP#3120443B

AFE# SJ14-127

Recommended Plugging Procedure:

1. MIRU WSU. POOH w/ rods. ND WH. NU BOP. PU extra TBG and tag PBTD. TOO H and lay down TBG while scanning.
2. PU scraper and TIH w/ 2-3/8" N-80 workstring to PBTD. POOH.
3. PU 5-1/2" cement retainer and TIH to 4230' (NOTE: Fruitland perms from 4234'-4250'). Establish injection rate.
4. Pump squeeze according to Halliburton procedure.
5. Sting out of cement retainer, pull up hole and WOC.
6. PU bit, drill collars, and drill out cement retainer and cement.
7. Pressure test CSG to 550 psi while charting for 30 minutes. Contact office if test fails.
8. MIRU air unit. TIH to PBTD and unload hole w/ air mist.
9. RDMO air unit and TOO H and lay down work string.

Energen Resources Corp.
Pay Add Schedule – Carson #12
API# 30-039-27058
DP#3120443A
AFE# SJ14-128

Recommended Completion Procedure:

1. MIRU wireline. Load hole and pressure up to 500 psi. Run CBL from PBTD to surface. NOTE: If there is insufficient cement coverage, notify engineer to design plan for a cement squeeze.
2. TIH w/ 3-1/2" frac liner to cover Fruitland perms from 4234'-4250'. Set frac liner over perms. TOOH.
3. NU 5k frac valve and fracmaster compaction isolation tool. Pressure test frac valve, isolation tool, casing, frac liner and CBP to 3800psi. RDMO.
4. MIRU Wireline. Perforate PC at 3 SPF w/ 120° phasing from 4500' – 4545'. RDMO Wireline.
5. MIRU Halliburton. Fracture the PC per Halliburton procedure. Note: The Max treating pressure will be 80% yield press. This will use 20/40 as proppant. RDMO Halliburton.
6. Flowback well sufficiently. Once flowback is done, MIRU.
7. TIH w/ tubing and retrieve the frac liner. TOOH w/ tubing and frac liner.
8. Cleanout to PBTD w/ air mist.
9. TOOH. TIH w/ Prod. Tubing and land tubing.
10. ND BOP. NU WH. RDMO WSU. Turn the well over to production.