State of New Mexico Submit 3 Copies To Appropriate District Form C-103 Office Energy, Minerals and Natural Resources May 27, 2004 District I WELL API NO. 1625 N. French Dr., Hobbs, NM 87240 District II 30-025-36859 OIL CONSERVATION DIVISION 1301 W. Grand Ave., Artesia, NM 88210 5. Indicate Type of Lease 1220 South St. Francis Dr. District III 1000 Rio Brazos Rd., Aztec, NM 87410 STATE X FEE Santa Fe, NM 87505 District IV 6. State Oil & Gas Lease No. 1220 S. St. Francis Dr., Santa Fe, NM 87505 34275 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name: (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A Saunders Deep State DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 8. Well Number 1. Type of Well: Oil Well X Gas Well Other 2. Name of Operator 9. OGRID Number Energen Resources Corporation 162928 3. Address of Operator 10. Pool name or Wildcat 3300 N. A. St., Bldg. 4, Ste. 100 Midland, TX 79705 Wildcat 4. Well Location 420 Unit Letter A/Lot 1 : North 940 feet from the East line and feet from the Section Township 15-S Range 33-E County Lea 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4192' Pit or Below-grade Tank Application or Closure ____ Depth to Groundwater _ __ Distance from nearest fresh water well ___ ___ Distance from nearest surface water Pit Liner Thickness: Below-Grade Tank: Volume ___ _bbls; Construction Material 12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING TEMPORARILY ABANDON **CHANGE PLANS** COMMENCE DRILLING OPNS. **PLUG AND** ABANDONMENT PULL OR ALTER CASING CASING TEST AND MULTIPLE COMPLETION **CEMENT JOB** OTHER: OTHER: Completion X 13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of propo or recompletion. See attached report. I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or belowgrade tank has been/will be constructed or closed according to NMOCD guidelines X , a general permit or an (attached) alternative OCD-approved plan Regulatory Analyst TITLE_ E-mail address: clarson@energen.com Type or print name Carolyn Larson Telephone No. 432/684-3693 For State Use Only PETROLEUM ENGINEER APPROVED BY TITLE DATE

Conditions of Approval, if any:

SAUNDERS DEEP STATE #1 30-025-36859 420' FNL & 940' FEL Sec-3, T-15-S, R-33-E Lea County, NM

5/6/05 – MIRU Great Basin Rig #222

5/7-12/05 – Drilled-out the stage collars & float collar down to the float shoe @ 13,541'. 5/13/05 – Pickled the tubing & casing w/ 1,300 gallons of 15% HCl acid & 1,300 gallons of xylene. Drilled the float shoe @ 13,541-42' & cleaned out the 6 ft of open hole down to the original TD of 13,548'.

5/14/05 – Ran a CB/GR/CCL. Found the bottom 2 shoe joints w/ no cement due to the plug failure on the primary cement job, had good bond across all other potential producing horizons, found the TOC @ 5,460' & shot 3 squeeze holes @ 13,485'.

5/15/05 - RIH w/ a 5-1/2" CICR.

5/16/05 - SIFS

5/17/05 - Cemented the bottom 2 shoe joints w/ 50 sacks of Class "H" cement & POOH.

5/18/05 - Drilling out

5/19/05 - Continued drilling out back down to the TD of 13,548'.

5/20/05 - Acidized w/ 300 gallons of 15% HCl acid.

5/21/05 - Swab-testing.

5/22-24/05 - SI for BHP data.

5/24/05 – Swab-testing.

5/25/05 - Acidized w/ 1,200 gallons of 15% HCl acid.

5/26/05 – Testing for commercial production.