

FORM
2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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Document Number:

1636479

PluggingBond SuretyID

20090047

APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL

OIL GAS COALBED OTHER _____
SINGLE ZONE MULTIPLE COMMINGLE

Refiling

Sidetrack

3. Name of Operator: ENERGEN RESOURCES CORPORATION

4. COGCC Operator Number: 27480

5. Address: 2010 AFTON PLACE

City: FARMINGTON State: NM Zip: 87401

6. Contact Name: DOUG THOMAS Phone: (505)632-6162 Fax: (505)632-6112

Email: DOUG.THOMAS@ENERGEN.COM

7. Well Name: NAVAJO LAKE 32-5 Well Number: 21-2

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 9287

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 20 Twp: 32N Rng: 5W Meridian: N

Latitude: 37.009970 Longitude: -107.414790

Footage at Surface: 313 feet FNL 2478 feet FEL

11. Field Name: IGNACIO BLANCO Field Number: 38300

12. Ground Elevation: 6139 13. County: ARCHULETA

14. GPS Data:

Date of Measurement: 08/31/2010 PDOP Reading: 3.0 Instrument Operator's Name: SCOTT WEIBE

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: 2400 FNL 1000 FEL Bottom Hole: 800 FSL 1400 FEL
Sec: 21 Twp: 32N Rng: 5W Sec: 21 Twp: 32N Rng: 5W

16. Is location in a high density area? (Rule 603b)? Yes No

17. Distance to the nearest building, public road, above ground utility or railroad: 221 ft

18. Distance to nearest property line: 154 ft 19. Distance to nearest well permitted/completed in the same formation: 2935 ft

20. LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
FRUITLAND COAL	FRLDC	112-228	740	S20 E/2; S21 ALL

21. Mineral Ownership: Fee State Federal Indian Lease #: _____

22. Surface Ownership: Fee State Federal Indian

23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID#: _____

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes No

23b. If 23 is No: Surface Owners Agreement Attached or \$25,000 Blanket Surface Bond \$2,000 Surface Bond \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

SECTION 21: ALL, SECTION 20: E/2, T32N, R5W, NMPM. SEE ATTACHED MAP.

25. Distance to Nearest Mineral Lease Line: 800 ft 26. Total Acres in Lease: 740

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? Yes No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? Yes No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? Yes No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? Yes No

31. Mud disposal: Offsite Onsite

If 28, 29, or 30 are "Yes" a pit permit may be required.

Method: Land Farming Land Spreading Disposal Facility Other: CLOSED LOOP

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12+1/4	9+5/8	32.3		500	265	500	0
1ST	8+3/4	7	23		4,775	303	4,775	0
2ND	6+1/8	4+1/2	11.6		9,285			

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None

33. Comments NO CONDUCTOR CASING. WELL WILL BE FRESH WATER MUD DRILLED TO 500'. LSND MUD SYSTEM DRILLED TO 4775'. FRESH WATER OR BRINE WATER SYSTEM TO TD DEPENDING ON RESERVOIR CHARACTERISTICS.

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan? Yes No

36. Is this application part of submitted Oil and Gas Location Assessment? Yes No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: TIM G. KELLEY

Title: AGENT Date: 5/27/2011 Email: TIM@FINNEYLAND.COM

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: David S. Nashin Director of COGCC Date: 8/14/2011

API NUMBER
05 007 06308 00

Permit Number: _____ Expiration Date: 8/13/2013

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

- 1) Provide 48 hour notice of spud to COGCC to M. Weems @ 970-259-4587 or mark.weems@state.co.us
- 2) Provide cement coverage of production casing from TD to surface. Verify cement coverage with Cement Bond Log.
- 3) Run and submit Directional Survey from TD to kick-off point
- 4) The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the well bore complies with setback requirements in Commission orders and/or rules prior to producing the well.
- 5) Sample and test two closest water wells within 1/4 mile swath of the directional wellbore.
- 6) Operators are required to obtain a bottom hole pressure utilizing a bottom hole gauge after a minimum 48 hour shut-in period following completion and prior to sales
- 7) Comply with all applicable provisions of Order 112-228

Attachment Check List

Att Doc Num	Name
1636479	APD ORIGINAL
1636480	WELL LOCATION PLAT
1636481	TOPO MAP
1636482	MINERAL LEASE MAP
1636483	CORRESPONDENCE
1792218	DEVIATED DRILLING PLAN
1792220	DEVIATED DRILLING PLAN
1792221	DEVIATED DRILLING PLAN
1857190	SELECTED ITEMS REPORT

Total Attach: 9 Files

General Comments

User Group	Comment	Comment Date
Permit	Spacing order 112-228 posted and APD is in compliance. BY	3/2/2011 8:59:10 AM
Permit	Received "newest" directional survey and it allows verification of the footages given on the form 2 and plat. Spacing order 112-228 not posted. BY	7/15/2011 12:50:53 PM
Permit	Attached is a new directional plan and plot map for the Navajo Lake 32-5 #21-2 well. Please note, that in correcting the bottom hole it slightly changed the casing point on the N/S. We are now entering the formation at 1970' from the North instead of 2400'. If you could make the change on the form 2 that would be great, if not please let me know and I will send you a new one. I am getting a revised plan for the #21-1 well and will forward it on to you as soon as I receive it. I apologize for all the confusion. Energen had several changes to these wells and they sent me old plans. Thanks, Tim Emailed Mark Weems for evaluation of this change of 2400' to 1970'. "Newest" directional survey allows verification of the proposed BHL. BY	7/15/2011 10:51:07 AM
Permit	Over 625' difference between my calculations and the footages supplied on the form 2 and the well location plat. Emailed Tim Kelley. BY	7/13/2011 2:56:25 PM
Permit	Need a directional survey for this horizontal APD, emailed Doug Thomas of Energen. BY	6/28/2011 9:59:39 AM
Permit	Tim added as agent and permission from him to add plugging bond number. sf	3/7/2011 8:36:53 AM
Permit	Opr-Doug or Tim are not designated agents. Notified them for need of 1A. Also needs plugging bond added. sf	6/2/2011 12:32:41 PM
Data Entry	CHECK EMAIL FOR DOUG THOMAS.	6/1/2011 10:06:40 AM

Total: 8 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)