

FORM
2

Rev
12/05

State of Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

2237290

Date Received:

07/13/2012

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

PluggingBond SuretyID

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)325-6800 Fax: (505)326-6112

Email: DOUG.THOMAS@ENERGEN.COM

7. Well Name: NAVAJO LAKE 32-5 Well Number: 16-1

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

9. Proposed Total Measured Depth: 9002

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 17 Twp: 32N Rng: 5W Meridian: N

Latitude: 37.012960 Longitude: -107.412850

Footage at Surface: 777 feet FNL/FSL 1905 feet FEL/FWL FEL

11. Field Name: IGNACIO BLANCO Field Number: 38300

12. Ground Elevation: 6150 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: FNL/FSL _____ FEL/FWL _____ Bottom Hole: FNL/FSL _____ FEL/FWL _____
2300 FNL 760 FWL 760 FNL 760 FEL
Sec: 16 Twp: 32N Rng: 5W Sec: 16 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: 550 ft

18. Distance to nearest property line: 270 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1900 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 | 112-227 | 640 | SEC. 16 |

21. Mineral Ownership: Fee State Federal Indian Lease #: 750-11-2016

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):

PREVIOUSLY ATTACHED.

25. Distance to Nearest Mineral Lease Line: 760 ft 26. Total Acres in Lease: 640

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: _____

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 |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| CONDUCTOR | 17+1/2 | 13+3/8 | 48 | 0 | 100 | 118 | 100 | 0 |
| SURF | 12+1/4 | 9+5/8 | 32.3 | 0 | 800 | 425 | 800 | 0 |
| 1ST | 8+3/4 | 7 | 23 | 0 | 4,605 | 605 | 4,605 | 0 |
| 2ND | 6+1/4 | 4+1/2 | 11.6 | 0 | 9,002 | | | |

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

33. Comments VERBAL APPROVAL FOR UNPLANNED SIDETRACK FROM MARK WEEMS ON 6/13/12. MINERAL OWNERSHIP IS BOTH FEE AND INDIAN. WILL WHIPSTOCK AT A TBA DEPTH AND DRILL OUT WITH OUR LATERAL 6-1/4 BHA TO APP. TD. BOTTOM HOLE TARGET REMAINS THE SAME.

34. Location ID: 427428

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: CHANDLER MARECHAL

Title: DISTRICT LANDMAN Date: 7/10/2012 Email: CHANDLER.MARECHAL@EN

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: Matthew Lee Director of COGCC Date: 9/7/2012

API NUMBER

05 007 06312 01

Permit Number: _____ Expiration Date: 9/6/2014

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.

Please provide spud notice via eform 42... Thanks a bunch!

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------|
| 2237290 | FORM 2 SUBMITTED |

Total Attach: 1 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|--|----------------------|
| Permit | Final review completed; No LGD or public comment received. | 3/6/2012 9:52:01 AM |
| Permit | Energen is planning to sidetrack due to hole integrity and drilling issues. Additional casing will be cemented and they will whipstock. Bottom hole target remains the same. | 3/4/2012 8:29:55 AM |
| Permit | Overhead power line was relocated and placed under ground so as not to impact the placement of the wells on this pad. | 3/4/2012 8:26:53 AM |
| Permit | Recieved approval of the sundry form 4, 1598953. | 8/10/2012 9:45:01 AM |

Total: 4 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|-------------|----------------|
| | |

Total: 0 comment(s)