

### Drilling Activity

Well Name : EPSAU 1014W											
Well User ID : 43EPSAU1014W			API Code:		4213539746			AFE # :		PB0111309	
Operator :		Energen Resources Corporation						Operated :		Yes	
S/T/R :		1//		WI :		0.6274022		NRI :		0.5454496	
County, St.:		ECTOR, TX		Field :		PENWELL		AFE DHC :		\$284,500	
Acres :		0		Dlg Rig Rel Date:		2/12/2009		AFE Total:		\$606,000	
Spud Date :		2/9/2009		AFE Type :		Development Drlg/Comp		AFE Develop To:		0	
1600	ft. from	N	line and	750	ft. from	E	line	Proposed Depth :		4000	

Activity Date :	2/10/2009	Days Since Spud :	1	24 Hr. Footage Made :	855	Current Depth :	855
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Rig Company :		Rig Name:	
Activity :	13 - Wait-On Cement	Weather:	
Remarks:	MIRU CapStar's Rig #18 & spudded the 11" hole @ 12:30 p.m., 02/09/2009. Reached the TD of 855' in the 11" hole @ 6:00 p.m., 02/09/2009. C&C the hole 1/2 hr. & TOOH.		

Ran & cemented the 8 5/8" casing as follows:

8 5/8" Weatherford Gemoco Guide Shoe	0.90'
1 joint of 8 5/8" J-55 24.00# ST&C R-3 Casing	42.14'
8 5/8" Weatherford Gemoco Float Collar	1.48'
19 joints of 8 5/8" J-55 24.00# ST&C R-3 Casing	818.02'
20 joints TOTALS	862.54'

Ran a total of 20 joints of 8 5/8" J-55 24.00# ST&C R-3 casing totaling 862' set at 855'. The casing was centralized on the bottom and every fourth joint back to surface for a total of 6 centralizers. RU Schlumberger and pumped 50 BFW ahead as a pre-flush. Cemented w/ 400 sacks of Class "C" cement w/ 2% S1/CaCl2, 3#/sack D42/Kolite & 1/4#/sack of D29/CelloFlake w/ a yield of 1.35 mixed @ 14.8 ppg. (The total of the slurry was 540 ft3). Had good circulation throughout the job, the plug was down w/ 484-1,162# @ 11:00 P.M. 02/09/2009 the float held good, circulated 215 sacks of cement to the reserve. Presently WOC

Next Day:									
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Operations						
Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
12:15	0.25	01	MIRU CapStar's Rig #18	0	0	NIH
12:30	3.25	02	Drilling (Spudded the 11" hole @ 12:30 p.m., 02/9/2009)	0	502	1
15:45	0.50	10	Survey @474' - 3/4°	502	502	1
16:15	1.75	02	Drilling	502	855	1
18:00	0.50	05	C&C the hole to run casing	855	855	1
18:30	1.00	06	TOOH	855	855	1
19:30	2.00	12	RU & run the 8 5/8" casing	855	855	NIH
21:30	0.50	05	C&C the hole for cementing	855	855	NIH
22:00	1.00	12	Cement the 8 5/8" casing	855	855	NIH
23:00	7.00	13	WOC	855	855	NIH
Total:	17.75					

DC :	\$115,553	Cum. DHC :	\$115,553	Total Well Cost:	\$115,553
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**Energen Resources Corp.**

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Birmingham, AL 35205

(800) 292-4005

R E S O U R C E S

## Daily Activity Report

Activity Date :	2/11/2009	Days Since Spud :	2	24 Hr. Footage Made :	1478	Current Depth :	2333
Rig Company :				Rig Name:			
Activity :	02 - Drilling			Weather:			
Remarks:	WOC, NU BOPs. TIH w/ bit #2 , Tested BOPs. Presently drilling ahead w/ full returns running 15-18M# WOB & 70-80 RPM cutting 110-120/hr in salt & anhydrite.						

**Next Day:**

Operations						
Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	2.00	13	WOC	855	855	NIH
8:00	2.50	14	NU BOP	855	855	NIH
10:30	0.50	15	Test the blind rams & manifold to 200# low & 1,000# high	855	855	NIH
11:00	1.50	06	TIH w/ Bit #2 & Dcs	855	855	2
12:30	0.50	15	Test the annular & casing to 200# low & 1,000# high	855	855	2
13:00	1.00	06	Finish TIH, install rotating head	855	855	2
14:00	0.50	21	Drilled the plug, float & cement	855	855	2
14:30	0.50	15	Test the pipe rams & casing to 200# low & 1,000# high	855	855	2
15:00	0.25	21	Drilled the remainder of the shoe joint	855	855	2
15:15	5.00	02	Drilling on new formation	855	1398	2
20:15	0.25	10	Survey @ 1,355' - 1°	1398	1398	2
20:30	3.75	02	Drilling	1398	1907	2
0:15	0.50	10	Survey @ 1,805' - 1 1/4°	1907	1907	2
0:45	5.25	02	Drilling	1907	2333	2
<b>Total:</b>	24.00					

**DC :** \$21,881 **Cum. DHC :** \$137,434 **Total Well Cost:** \$137,434

Activity Date :	2/12/2009	Days Since Spud :	3	24 Hr. Footage Made :	1647	Current Depth :	3980
Rig Company :				Rig Name:			
Activity :	06 - Trips			Weather:			
Remarks:	While drilling @ 3,705' had a CO2 influx to surface, continued drilling w/ occasional blow & reached the TD of 3,980' in the 7 7/8" hole @ 3:00 a.m., 02/12/2009. C&C the hole 2 hrs, Displace the hole w/ 12.5 ppg mud. Flow check & TOOH to run logs.						

**Next Day:**

Operations						
Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	1.00	02	Drilling	2333	2375	2
7:00	0.50	10	Survey @ 2,333' - 1°	2375	2375	2
7:30	7.50	02	Drilling	2375	2885	2
15:00	0.50	10	Survey @ 2,842' - 1°	2885	2885	2
15:30	6.00	02	Drilling	2885	3397	2
21:30	0.50	10	Survey @ 3,355' - 1/2°	3397	3397	2
22:00	5.00	02	Drilling (Had a moderate CO2 influx to surface @ 3,705')	3397	3980	2
3:00	2.00	05	C&C the hole to run WL logs, displace the hole w/ 12.5 ppg mud	3980	3980	2
5:00	1.00	06	TOOH to run WL logs	3980	3980	2
<b>Total:</b>	24.00					

**DC :** \$18,344 **Cum. DHC :** \$155,778 **Total Well Cost:** \$155,778



## Daily Activity Report

Activity Date :	2/13/2009	Days Since Spud :	4	24 Hr. Footage Made :	0	Current Depth :	3980
Rig Company :				Rig Name:			
Activity :	01 - Rig Up & Tear Down			Weather:			

Remarks: Finish TOOH to run logs. RU Schlumberger WL, Logger's TD was 3,980'. Ran their Platform Express (Triple Combo) & Spectral Gamma Ray, RDWL @ 1:30 p.m., 02/12/2009.  
Ran & cemented the 5 1/2" casing as follows:

5 1/2" Weatherford Gemoco A/F Shoe	0.92'
1 joint of 5 1/2" J-55 15.50# LT&C R-3 Casing	42.05'
5 1/2" Weatherford Gemoco A/F Float Collar	0.62'
95 joints of 5 1/2" J-55 15.50# LT&C R-3 Casing	3,942.42'
96 joints	3,985.83'
TOTALS	

Ran a total of 96 joints of 5 1/2" J-55 15.50# LT&C R-3 casing totaling 3,985' set @ 3,980'. The casing was sandblasted from 3,980' to 2,918' and was centralized with 1 rigid centralizer per joint for the first 26 joints back up to 2,918' FS. RU Schlumberger Well Services & pumped 60 BFW, 20 barrels of CW-100 Chemical Wash & 20 additional BFW ahead as a pre-flush. Cemented w/ 500 sacks of Class "C" cement w/ 1.25% D79 Extender, 3.0% S1 CC, 0.4% D167, 0.2% D46/Antifoam, 0.2% B159 Extender, 3.0#/sack D42/Kolite, w/ a yield of 2.27, mixed @ 12.30 ppg. Tailed w/ 200 sacks of batch-mixed Class "C" cement w/ 1.1% D65/Dispersant, 1.0% D174/Expanding Agent, 1.0% D606/Anti-gel, 0.3% D013/Retarder, 0.2% D167/Fluid-Loss, 3#/sack D42/Kolite & 0.25#/sack of D130/Celloflake w/ a yield of 1.30 mixed @ 15.20 ppg (The total of both slurries was 1,390 ft3). Reciprocated the casing throughout the conditioning & during cementing w/ good circulation, the plug was down w/ 1,168-2,180# @ 7:45 p.m., 02/12/2009, the floats held good, circulated 111 sacks of cement to the reserve. ND the BOP, set 45M# on slips, cut off the 5 1/2" casing & welded on a 5 1/2" Larkin bell nipple. Released CapStar's Rig #18 @ 8:45 p.m., 02/12/2009 & turned the well over to the Completion Group.

Next Day:

Operations						
Start	Hrs	Code	Remarks	Start Depth	End Depth	Run
6:00	2.00	06	TOOH	3980	3980	2
8:00	1.00	21	Wait on WL loggers to arrive on location	3980	3980	NIH
9:00	4.50	11	RU Schlumberger WL & log (Logger's TD was 3,980')	3980	3980	NIH
13:30	2.00	12	RU & run the 5 1/2" casing	3980	3980	NIH
15:30	0.50	05	C&C, displace the kill mud	3980	3980	NIH
16:00	0.75	12	Finish running casing	3980	3980	NIH
16:45	1.00	05	C&C to cement, finish displacing the kill mud	3980	3980	NIH
17:45	0.75	12	RU cementers, C&C, batch mix the tail cement	3980	3980	NIH
18:30	1.25	12	Cement the 5 1/2" casing	3980	3980	NIH
19:45	0.75	28	ND, set the slips & cut-off the casing	3980	3980	NIH
20:30	0.25	01	RDRT	3980	3980	NIH
Total:	14.75					

DC :	\$102,874	Cum. DHC :	\$258,652	Total Well Cost:	\$258,652
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Completion/Wellwork Activity

Well Name : EPSAU 1014W						
Well User ID :	43EPSAU1014W		API Code:	4213539746		AFE # : PB0111309
Operator :	Energen Resources Corporation				Operated :	Yes
S/T/R :	1 / /		WI :	0.6274022		NRI : 0.5454496
County, St. :	ECTOR, TX		Field :	PENWELL		AFE CC : \$321,500
Spud Date :	2/9/2009		Dlg Rig Rel Date:	2/12/2009		AFE Total: \$606,000
Comp Date:			AFE Type :	Development Drlg/Comp		PBTD: 0
1600 ft. from	N	line and	750 ft. from	E	line	TD : 0
Job Purpose :						

**Date :** 2/14/2009

**Activity:** WO Completion

**Days On Completion:** 1

**Remarks :** Waiting on Completion.  
Drilling Costs: \$258,652.  
Completion Costs: \$0.00.

**DC :** \$0

**CCC:** \$0

**CWC:** \$258,652

**Date :** 3/11/2009

**Activity:** PU & RIH w/ the Workstring

**Days On Completion:** 26

**Remarks :** 3/10/09 -Set anchors. Pulled test. Cleaned location. Wax tapped 5 1/2" casing and casing head. MIRU Big Lake Service Rig #14. NU 5 1/2" 8 rd x 7 1/16" 5K flange. NU 7 1/16" 5K frac valve. NU 7 1/16" Hydraulic BOP. Changed out rams to 2 7/8". PU 4 3/4" bit, 5 1/2" scraper on 2 7/8" J-55 tubing to 1357'. SIFN. Wednesday-RIH t/ PBTD- Pickled/Spot acid/L/D tbg/ND BOP/NU cross.

**DC :** \$6,985

**CCC:** \$6,985

**CWC:** \$265,637

From 14:00 To 15:00	1 hrs	Category/Rmks:	MIRU : MIRU
From 15:00 To 16:30	1.5 hrs	Category/Rmks:	Run Bit and Scraper : NU/Frac valve/NU BOP/Chg rams t/ 2 7/8" tbg.
From 16:30 To 17:30	1 hrs	Category/Rmks:	RUN TBG : PU 4 3/4" bit, 5 1/2" scraper on 2 7/8" tbg t/1357' SIFN.

**Date :** 3/12/2009

**Activity:** Perforate & Acidize

**Days On Completion:** 27

**Remarks :** 3/11/09- RIH w/ 2 7/8" tubing. Tagged at 3932'. Pulled up t/ 3712'. RU Schlumberger. Pickled w/400 gals of 15% HCL w/ corrosion inhibitor, 10 bbls of 5% KCL, 400 gals of Xylene followed by 120 bbls of 5% KCL. ( 1.5 BPM) Tested casing to 2500 psi. Spotted 1000 gals of 15% HCL at 3712'. RD Schlumberger. POOH layed down 2 7/8" tubing. ND 7 1/16" BOP. NU Frac cross.SIFN. Thursday-log/perf/acidized/flow back.

**DC :** \$13,083

**CCC:** \$20,068

**CWC:** \$278,720

From 7:00 To 9:00	2 hrs	Category/Rmks:	RUN TBG : RU 2 7/8" tubing. Tagged TD at 3939'. L/D 8 jts t/ 2 7/8" t/ 3712'.
From 9:00 To 11:00	2 hrs	Category/Rmks:	ACIDIZE : Pickle tubing w/ 400 gals of 15% HCL/400 gals of Xylene. Tested casing t/ 2500 psi. Spotted 1000 gals of 15% HCL. RDS.
From 11:00 To 13:30	2.5 hrs	Category/Rmks:	TOH : POOH. L/D 2 7/8" tubing.
From 13:30 To 14:30	1 hrs	Category/Rmks:	NDNU : ND BOP/NU frac cross.SIFN.

**Date :** 3/13/2009

**Activity:** RIH w/ Tubing

**Days On Completion:** 28

**Remarks :** 3/12/09 PJSM. RU Schlumberger Wireline w/ full lubricator. Tested to 1000 psi. Ran a GR/CCL log, tie into OH logs from PBTD at 3932'-2000'. Perforate the following interval with 4" select fire casing guns using 22.7 gram Titan"SDP" charges (P#-PPG-4023-320T,0.40" EHD/33.7"PD) at 3 SPF- 120 degree phase. IFL 330'.Perfs: in 2 runs from: 3602',04', 06', 08', 10', 12',14', 16', 18', 20', 22', 24', 26', 28', 30', 32', 34', 36', 38',40', 42', 44', 46', 48', 50', 52', 52', 54', 56', 58', 3670'-72', 74', 76', 78', 80', 82' ( 108 holes) RDWL. RU Schlumberger. PJSM. Broke down perfs f/ 3602-3682' at 2037 psi. Pumped 20 bbls of water. SD. 5 min- 815 psi, 10 min-778 psi, 15 min-755 psi. Acidized perfs w/ 2500 gals of 15% HCL. Dropped 270 bbls. Displaced w/ 88 bbls of 5% KCL. Balled out 20 bbls of displacement left. ISIP- 938 psi, 5 min- 879 psi, 10 min- 870 psi, 15 min- 856 psi. Avg rate 7.3 BPM. Opened well to tank on a 24/64 choke. Flowed back 180 bbls in 3 hrs. ISCP- 480 psi.-RU Schlumberger w/ full lub. M/U BJ- Arrow -set 1-X packer w/ 1.78 "F" profile nipple w/ plug in place. Equilized pressure. RIH w/ packer. Set packer element at 3560'. RD WL. Bled off gas. Loaded casing & tested to 1000 psi. SIFN.Friday- ND frac valve/NU BOP/Run injection string. ( Next well- # 823W)

Alerted RRC at 1106 AM on H-5 test for Monday 3/16/09. Talked to Bill. No job #given.

**DC :** \$30,213

**CCC:** \$50,281

**CWC:** \$308,933

From 7:00 To 10:30	3.5 hrs	Category/Rmks:	PERF : RU SWL w/ full lub. Logged GR-CCL f/ 3939'-2000'. Perf f/ 3602'-3682' 3 JSPF 108 holes RDWL.
From 10:30 To 12:30	2 hrs	Category/Rmks:	ACIDIZE : PU Schlumberger. Broke down perfs at 2037 psi. Acidized perf w/ 2500 gals of HCL. Dropped 270 ball sealers.Balled out. Good action.
From 12:30 To 15:30	3.5 hrs	Category/Rmks:	FLOW BACK : Flowed back load on a 24/64 choke.Recovered 190 bbls in 3 hrs.
From 15:30 To 17:00	1.5 hrs	Category/Rmks:	LOG : RU SWL. Set 5 1/2" AS-1X packer at 3560'. Bled off pressure.
From 17:00 To 17:30	0.5 hrs	Category/Rmks:	TEST CASING : Tested t/ 1000 psi. SIFN.

**Date :** 3/17/2009

**Activity:** Turned Well to Production

**Days On Completion:** 32

**Remarks :** Ran H-5 test. 550 psi for 35 mins. Shut in. Turned well over to production.

**DC :** \$580

**CCC:** \$115,516

**CWC:** \$374,168