February 17, 2014

New Mexico Oil Conservation Division Attn: Mr. Charlie Perrin 1000 Rio Brazos Road Aztec, NM 87410 ACVD FEB 19'14 DIL CONS. DIV. DIST. 3

Jicarilla 95 #6B Unit L, Section 36, T27N, R03W Rio Arriba County, New Mexico Blanco-Mesaverde (72319) & Gavilan P.C. (77360) DHC-3755 AZ API# 30-039-26574

Mr. Perrin:

Energen Resources finished a pay add and down hole commingling operations on the subject well, in accordance with the approved Notice of Intent.

Prior to commingling operations, the Blanco-Mesaverde was producing at a stabilized rate of about 90 MCFPD and less than ¹/₄ BOPD. The Gavilan PC was added in April 2013. The well has stabilized at a rate of about 140 MCPD and about 1/2 BOPD. The following allocation is recommended (see attached production plot):

| | <u>Gas</u> | <u>Oil</u> |
|------------------|------------|------------|
| Blanco-Mesaverde | 64% | 25% |
| Gavilan PC | 46% | 75% |

If additional information is needed, please contact me at 505-325-6800.

Sincerely,

Adam Klem

District Engineer

LEASE: JICARILLA 95 6B MV-PC

