

February 18, 2014

RCVD FEB 19 '14
OIL CONS. DIV.
DIST. 3

New Mexico Oil Conservation Division
Attn: Mr. Charlie Perrin
1000 Rio Brazos Road
Aztec, NM 87410

Johnston Shear #1C
Unit P, Section 03, T26N, R03W
Rio Arriba County, New Mexico
Blanco-Mesaverde (72319) & Gavilan P.C. (77360)
DHC-3770 AZ
API# 30-039-26845

Mr. Perrin:

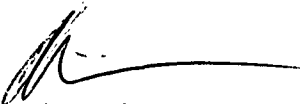
Energen Resources finished a pay add and down hole commingling operations on the subject well, in accordance with the approved Notice of Intent.

Prior to commingling operations, the Blanco-Mesaverde was producing at a stabilized rate of about 93 MCFPD and less than 1/4 BOPD. The Gavilan PC was added in May 2013. The well has stabilized at a rate of about 155 MCPD and about 3/4 BOPD. The following allocation is recommended (see attached production plot):

	<u>Gas</u>	<u>Oil</u>
Blanco-Mesaverde	60%	34%
Gavilan PC	40%	66%

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

Sincerely,



Adam Klem
District Engineer

LEASE: JOHNSTON SHEAR 1C MV-PC

