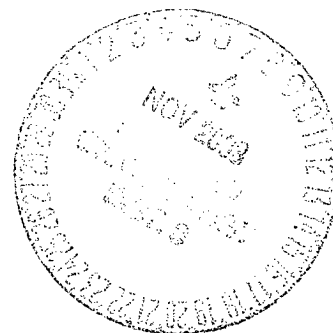


November 4, 2003

New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410



Jicarilla 117E #7
Unit B, Section 28, T 26 N, R 3 W
Rio Arriba Co., New Mexico
Tapacito Pictured Cliffs (85920) & Blanco Mesaverde (72319)
Administrative Order R-11363, DHC 257AZ
API # 30-039-06310

Dear Mr. Hayden:

Energgen Resources recently finished a pay add and down hole commingling operations on the subject well. In accordance with the approved Administrative Order, the supervisor of the Aztec District Office of the NMOCD shall determine the proper production allocation.

Prior to commingling operations, the Pictured Cliffs produced at a stabilized rate of 35 MCFD & 0 BOPD. Production in the Mesa Verde was re-established and the well was returned to production in June 2001. The well has stabilized at a rate of 50 MCFD & 0.5 BOPD. The following allocation is recommended:

	<u>Gas</u>	<u>Oil</u>
Pictured Cliffs	70%	0%
Mesa Verde	30%	100%

If additional information is needed, please contact me at 566-4680.

Sincerely Yours,

Charles J. Donahue
District Engineer