

February 8, 2012

Bureau of Land Management Farmington Resource Area 1235 La Plata Highway Farmington, NM 87401

New Mexico Commissioner of Public Lands PO Box 1148 Santa Fe, NM 87505

New Mexico Oil Conservation Division Energy & Minerals Department 1220 South St. Francis Drive Santa Fe, NM 87505

RE:

2012 PLAN OF DEVELOPMENT LINDRITH UNIT, I SEC. NO. 713

RIO ARRIBA COUNTY, NEW MEXICO

Gentlemen:

By letter dated February 4, 2011, the Plan of Development (POD) for the calendar year 2011 was filed by Energen Resources Corporation as Unit Operator and provided for the following activity:

WELL NAME	FORMATION	TYPE	DEDICATION	STATUS
Lindrith Unit 60		Plug & Abandoned	Sec. 25, T24N, R3W	
Lindrith Unit 96	Pictured Cliffs	Plug & Abandoned	Sec. 8, T24N, R2W	P&A 2/1/2011

No further operations by Energen Resources Corporation for the drilling/recompletion or abandonment of wells within the Lindrith Unit are anticipated to be conducted during calendar year 2012.

ConocoPhillips Company, (successor to Mobil Exploration and Producing U.S., Inc.) as Sub-Operator of depths below the Pictured Cliffs formation, will separately submit their proposed 2012 POD for the Gallup and Dakota formations.

The Pictured Cliffs Participating Area had its thirteenth expansion. As of this date, there are seventy-two (72) producing, five (5) shut-in and 21 plugged and abandoned Pictured Cliffs wells in the Lindrith Unit.

Energen owns 100% of the working interest in the Pictured Cliffs Participating Area and believes that all current obligations have been satisfied.

Energen, as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the Working Interest Owners.

In accordance with Section 10 of the Unit Agreement, please advise of your approval by executing in the space provided below and returning a copy to the undersigned.

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Please contact the undersigned at (505) 324-4133 if there are any questions regarding this letter.

Sincerely,

David M. Poage Land Manager

DP/mt

LINDRITH UNIT 2012 PLAN OF DEVELOPMENT

APPROVED:		DATE:	
	Bureau of Land Management		
APPROVED:	Il Martin	DATE: 2/14/2012	
	Oil Conservation Division		
APPROVED:		DATE:	
	Commissioner of Public Lands		