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Energen Resources Corporation
 Attn: Dave Poage
 2010 Afton Place
 Farmington NM 87401

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Adobe Investment Co.
 P.O. Box 1006
 Ignacio CO 81137

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A. Signature

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☐ Agent☐ Addressee

B. Received by (Printed Name)

Stephanie Rober

C. Date of Delivery

3-4-11

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

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4. Restricted Delivery? (Extra Fee)

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2. Article Number

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Adobe Investment Co.
 Street, Apt. No.,
 or PO Box No. P.O. Box 1006
 City, State, ZIP+4 Ignacio CO 81137



CERTIFIED MAIL
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April 20, 2011

Adobe Investment Company
PO Box 1006
Ignacio, CO 81137

Attention: Mr. Chris Ribera

RE: Township 32 North, Range 4 West, N.M.P.M.
Section 8, E/2 of Lot 5
Rio Arriba County, New Mexico

Dear Chris:

I am writing this letter in order to outline the options available to Adobe Investment Company as it relates to Energen Resources Corporation's ("Energen") proposal to drill the Carracas 8B:16 well in Section 8, T32N, R4W, Rio Arriba County, New Mexico.

Energen's offer to lease your minerals is available. This offer is for a bonus of \$10,336.00, a 20% royalty and a five year term as shown in the lease and information previously provided.

Adobe also could join in the drilling and completion of this well. An Authority for Expenditure (AFE) is enclosed. This AFE shows an estimated total cost of \$1,602,830.15. Please note that this is an estimate only and costs could be more or less dependent upon problems occurring while drilling. A joinder would require an operating agreement. Energen will use a 1982 AAPL Model Form Operating Agreement. Fixed overhead rates would be \$6,500.00 per month for drilling and \$650.00 per month producing.

Your mineral interest would provide you with a 5.219279% working interest in this well. The spacing unit is all of Section 8, T32N-R4W, Rio Arriba County, New Mexico.

The last option would be for Energen to file a Compulsory Pooling request with the New Mexico Oil Conservation Division (NMOCD). Currently orders issued by the NMOCD allow for a 12.5% royalty during a 300% payout, which converts to a working interest thereafter. The NMOCD also would stipulate the overhead rates. Since this involves a timely process, Energen will commence this process right away.

I am hopeful that we can come to an agreement in the near future. If you have any questions, please contact me at 505-324-4133 or by email at dpcoaga@energen.com.

Yours very truly,


David M. Poage
District Landman

Enclosures

DMP/mt

cc: Carracas 8B 16 well file

Energen Resources Corporation, an Energen Company 2010 Afton Place, Farmington, New Mexico 87401 505.325.6800

ENERGEN EX. NO. 4
NMOCD CASE # 14653
MAY 26, 2011

AUTHORITY FOR EXPENDITURE
ESTIMATED WELL COSTS

ENERGEN RESOURCES

WELL NAME AND NUMBER		PROPERTY NUMBER		DATE	
CARRACAS 8B #16		312111A		4/6/2011	
OPERATOR		FIELD OR AREA		STATE	
Energen Resources		Basin Fruitland Coal		NEW MEXICO	
PROJECT DESCRIPTION AND LOCATION		COUNTY		TOWNSHIP	
New Development Well		RIO ARriba		32N 4W	
PROPOSED FORMATION		PROPOSED DEPTH			
Fruitland Coal		7,655			
☒ SINGLE ☐ DUAL ☐ LAND ☐ MARSH		☐ OIL ☒ GAS ☐ BAY ☐ GULF		☐ EXPL. ☒ DEV. ☐ STRAT.	
DATE TO START		DAYS TO DRILL/COMPLETE		☒ ORIGINAL ☐ SUPPLEMENT	
6/1/2011		16 10			
TANGIBLES - 940		DRY HOLE COSTS		COMPLETION COSTS	
TOTAL COSTS					
TUBULAR GOODS					
101	Conductor Pipe	9 5/8 in.	200 Ft.	20.42 \$/Ft.	\$4,084.00
104	First Liner	7 in.	3,715 Ft.	15.57 \$/Ft.	\$57,842.55
104	Second Liner	4 1/2 in.	3,990 Ft.	12.44 \$/Ft.	\$49,635.60
105	Rods	7/8 in.	3,550 Ft.	3.62 \$/Ft.	\$12,851.00
107	Tubing	2 3/8 in.	3,550 Ft.	4.40 \$/Ft.	\$15,620.00
107	Tubing	1 1/4 in.	3,550 Ft.	3.25 \$/Ft.	\$11,537.50
EQUIPMENT					
201	Wellhead			\$6,499.00	\$6,499.00
102,103	Tbg & Csg Acc./liner hgr. Prod Pkr.			\$17,499.00	\$17,499.00
202,203	Production Equipment			\$138,000.00	\$138,000.00
205,206	Valves and fittings			\$10,000.00	\$10,000.00
204	Other				
TOTAL TANGIBLES				\$135,560.15	\$188,008.50
INTANGIBLES - 950					
DRILLING COSTS					
103	Turnkey			\$0.00	\$0.00
103	Footage	18 Da.	15,800.00 \$/Da.	\$252,800.00	\$252,800.00
208	Comp Rig	120 Hr.	300.00 \$/Hr.	\$36,000.00	\$36,000.00
208	Service unit			\$10,000.00	\$10,000.00
105	Rental Tools, Services, Chokes, Etc.			\$128,000.00	\$128,000.00
107,205	Rig Moving Cost			\$5,000.00	\$5,000.00
105	Other Directional Services			\$300,000.00	\$300,000.00
CEMENTING (INCL. FLOAT EQUIP. ETC.)					
102	Surface			\$10,000.00	\$10,000.00
102	Intermediates			\$26,000.00	\$26,000.00
201	Production			\$0.00	\$0.00
201	Production Liners			\$0.00	\$0.00
102	Tieback String			\$0.00	\$0.00
201	Squeeze Cement (Incl. Rat. & Pkrs.)			\$0.00	\$0.00
201	Other			\$0.00	\$0.00
FORMATION TREATMENT					
207	Acidizing			\$5,000.00	\$5,000.00
207	Fracturing Equipment & Materials			\$0.00	\$0.00
204	Frac. Fluid	Gas		\$0.00	\$0.00
203,205	Tank Rental & Hauling			\$0.00	\$0.00
SPECIAL SERVICES					
208	Perforation (set B.P. & Pkrs., Wireline Etc.)			\$0.00	\$0.00
150	Mud Logging Data Units			\$27,000.00	\$27,000.00
150	Formation Logging			\$0.00	\$0.00
160,250	Cores, DST's, Well Testing, etc.			\$0.00	\$0.00
150	Drilling Logs (CBL, Tracer, Inspection, W.L.)			\$0.00	\$0.00
203	Packer & Retr. B.P.			\$0.00	\$0.00
206	Whipstocking & Sidetracking			\$0.00	\$0.00
206	Compressors			\$0.00	\$0.00
DRILLING FLUIDS					
104	Mud & Chemicals			\$56,000.00	\$56,000.00
108	Water & Brine			\$10,000.00	\$15,000.00
108	Other (Gas & Air)			\$0.00	\$0.00
MATERIALS & SERVICES OTHER					
101	Bits & Reamers			\$22,965.00	\$22,965.00
106	Fuel			\$28,000.00	\$28,000.00
107,205	Hauling			\$39,600.00	\$39,600.00
201	Tubular Inspection			\$0.00	\$0.00
105,203	Testing (Manifolds, BOP, Tbg Etc)			\$0.00	\$0.00
105,203	Misc. Csg Exp (Run Csg. Sandblasting, Etc.)			\$18,000.00	\$18,000.00
203	Tank Rentals			\$1,000.00	\$1,000.00
203	Equipment Rental			\$10,000.00	\$10,000.00
203	Misc. Exp.			\$64,000.00	\$64,000.00
LOCATION, ACCESS, CLEANUP					
030	Road/Site/Construction			\$41,000.00	\$41,000.00
060,080	Safety/Environmental			\$27,000.00	\$27,000.00
SUPERVISION & LEGAL ETC.					
020				\$20,800.00	\$20,800.00
TOTAL INTANGIBLES				\$1,009,165.00	\$1,177,165.00
Plus 10 % Contingency				\$100,916.50	\$117,716.50
TOTAL INTANGIBLES WITH 10% CONTINGENCY				\$1,110,081.50	\$1,294,881.50
TOTAL TANGIBLES				\$135,560.15	\$188,008.50
GRAND TOTAL				\$1,245,641.65	\$1,482,890.00

Partner Name:		W.I. % for Dry Hole		W.I. % for Completion	
Date:	April 6, 2011	Partner's Approval			
Prepared by:	Devin Mills	Company Name:			
Approved by:		Date:			