

February 4, 2005

Bureau of Land Management (3)
Farmington Resource Area
1235 LaPlata Highway
Farmington, New Mexico 87401

N.M. Commissioner of Public Lands (2)
P.O. Box 1148
Santa Fe, New Mexico 87501-1148

N.M. Oil Conservation Division (2)
Energy & Minerals Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RE: SAN JUAN 32-5 UNIT, #14-08-001-534
2005 PLAN OF DEVELOPMENT
RIO ARriba COUNTY, NEW MEXICO

Gentlemen:

By letter dated April 16, 2004, the Plan of Development (POD) for the calendar year 2004 was filed and provided for the drilling of the following wells:

<u>WELL</u>	<u>FOOTAGE</u>	<u>LOCATION</u>	<u>FORMATION</u>
San Juan 32-5 Unit #100S	2385' FNL & 2460' FWL	Sec. 24-T32N-R6W	Fruitland Coal
San Juan 32-5 Unit #102S	1690' FNL & 835' FWL	Sec. 24-T32N-R6W	Fruitland Coal

The following Participating Areas currently exist in the unit:

<u>FORMATION</u>	<u>EXPANSION</u>	<u>EFFECTIVE DATE</u>
Mesa Verde	8 th	12/1/62
Dakota	6 th	11/1/62

As of this date, the total number of wells in the San Juan 32-5 Unit are as follows:

Mesa Verde, Commercial	25
Mesa Verde, Non-Commercial	1
Mesa Verde, Plugged and Abandoned	8
Mesa Verde/Dakota Duals, Commercial	8
Mesa Verde/Dakota Duals, Dakota Plugged and Abandoned	3
Mesa Verde/Dakota Duals, Plugged and Abandoned	2
Dakota, Commercial	1
Dakota, Plugged and Abandoned	3
Fruitland Coal, Commercial	<u>21</u>
TOTAL	72

San Juan 32-5 Unit
2005 Plan of Development
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The following wells have been determined to be commercial and a new participating area for the Fruitland Coal is presently being established:

Well Name & Number	Dedication	Lease	Completion/Workover Date
San Juan 32-5 Unit #100	W ² Sec. 23, T32N, R6W	NMSF079011	8/31/02
San Juan 32-5 Unit #101S	E ² Sec. 23, T32N, R6W	FEE	7/28/03
San Juan 32-5 Unit #102	W ² Sec. 24, T32N, R6W	FEE	4/30/00
San Juan 32-5 Unit #103S	E ² Sec. 24, T32N, R6W	NMSF079011	10/20/03
San Juan 32-5 Unit #104	W ² Sec. 25, T32N, R6W	NMSF081181	9/30/01
San Juan 32-5 Unit #105	E ² Sec. 25, T32N, R6W	NMSF079011	4/30/00
San Juan 32-5 Unit #106	W ² Sec. 26, T32N, R6W	NMNM03780	4/30/01
San Juan 32-5 Unit #107	E ² Sec. 26, T32N, R6W	NMSF081181	4/30/01
San Juan 32-5 Unit #108	E ² Sec. 27, T32N, R6W	NMSF079011A	4/30/00
San Juan 32-5 Unit #110	E ² Sec. 22, T32N, R6W	NMSF079090	10/19/02
San Juan 32-5 Unit #111	All of Secs. 30 & 31, T32N, R5W	NMSF080657	11/25/01
San Juan 32-5 Unit #112	All of Secs. 18 & 19, T32N, R5W	NMSF080657	7/08/02
San Juan 32-5 Unit #113	S ² Sec. 32, T32N, R5W	STATE	10/28/01

Pursuant to Section 10 of the San Juan 32-5 Unit Agreement, Energen Resources Corporation (Energen), as operator, hereby submits a Plan of Development providing for the drilling of the following wells during the calendar year 2005:

Well	Spacing Dedication	Location	Formation
San Juan 32-5 Unit Com 114	E ² Section 13	NE ⁴ Sec. 23-32N-5W	Fruitland Coal
San Juan 32-5 Unit Com 115	E ²	SW ⁴ Sec. 24-32N-5W	Fruitland Coal

Energen owns 100% of the working interest in all of the proposed wells.

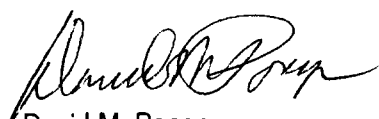
Energen, as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the Working Interest Owners.

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.

Copies of this letter are being sent to the Working Interest Owners shown on the attached sheet.

Please contact the undersigned at (505) 325-6800 if there are any questions regarding this letter.

Very truly yours,



David M. Poage
District Landman

DP/ga
Enclosures

SAN JUAN 32-5 UNIT 2002 PLAN OF DEVELOPMENT

APPROVED: _____
Bureau of Land Management

DATE: _____

APPROVED: _____
Commissioner of Public Lands

DATE: _____

APPROVED: _____
Oil Conservation Division

DATE: 2/10/05

San Juan 32-5 Unit
2005 Plan of Development
Rio Arriba County, New Mexico

SAN JUAN 32-5 UNIT WORKING INTEREST OWNERS

Energen Resources Corporation
2198 Bloomfield Highway
Farmington, New Mexico 87401

XTO Energy
Attn: Tim Welch
810 Houston Street
Fort Worth, TX 76102-6298