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April 12, 2004

OIL CONSERVATION DIVISION

Bureau of Land Management (3)
Farmington Resource Area
1235 La Plata Highway
Farmington, New Mexico

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

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

RE: CARRACAS CANYON UNIT, #14-08-001-19596
2004 PLAN OF DEVELOPMENT
RIO ARRIBA COUNTY, NEW MEXICO

Gentlemen:

By letter dated July 1, 2003, the Plan of Development (POD) for the calendar year 2003 was filed by Energen Resources Corporation (Unit Operator) and provided for the drilling of the Carracas Canyon Unit #26B 7, Pictured Cliffs well in the NE4 of Section 26-T32N-R4W. The well was drilled, completed and is presently producing. A Commercial Determination Application will be filed once adequate history has been developed on the well.

The following Participating Areas currently exist in the unit:

Table with 2 columns: Formation and Expansion. Rows include Fruitland PA, Fruitland PA B, Fruitland PA C, D, E, Pictured Cliffs PA, and Pictured Cliffs PA B.

As of this date, the total number of wells in the Carracas Canyon Unit are as follows:

Table with 2 columns: Formation and Count. Rows include Fruitland Coal, Producing (16), Fruitland Coal, T.A. (1), Pictured Cliffs, Producing (7), Dakota, T.A. (1), and Total Producing (23).

Pursuant to Section 10 of the Carracas Canyon Unit Agreement, Energen Resources Corporation, as operator, hereby submits a Plan of Development providing for the drilling of the following wells during the calendar year 2004.

Carracas Canyon Unit 27A 9 - SE4 Section 27-T32N-R5W - Fruitland Coal Formation

Carracas Canyon Unit
 2003 Plan of Development
 Rio Arriba County, New Mexico

Further we intend to conduct the following operations:

Wells	Location	Formation	Activity
Carracas Unit FR 101	SW4 Sec. 10-T32N-R5W	Fruitland Coal	Recavitate
Carracas Unit PC 203	NW4 Sec. 26-T32N-R4W	Pictured Cliffs	Workover
Carracas Mesa 14-1	NW4 Sec. 14-T32N-R4W	Fruitland Coal	Workover
Carracas SWD	NE4 Sec. 27-T32N-R5W	n/a	Injection Pump

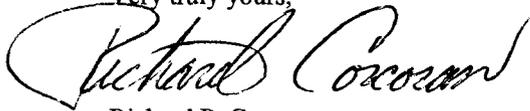
The Working Interest Owners are being contacted regarding the 2004 Plan of Development.

Energen Resources Corporation, 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.

Please contact Richard P. Corcoran at (505) 325-6800 if there are any questions regarding this letter.

Very truly yours,

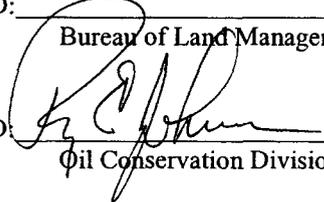


Richard P. Corcoran
 District Landman
 RC/ac

CARRACAS CANYON UNIT 2004 PLAN OF DEVELOPMENT

APPROVED: _____
 Bureau of Land Management

DATE: _____

APPROVED:  _____
 Oil Conservation Division

DATE: 5/5/04

APPROVED: _____
 Commissioner of Public Lands

DATE: _____

CARRACAS CANYON UNIT

WORKING INTEREST OWNERS

Dominion Exploration & Production Inc.
Attn: Joe Hammond
14000 Quail Springs Parkway FI 600
Oklahoma City, OK 73134-2616

Seacoast Oil & Gas Incorporated
Attn: Robert Davant
9839 Whitehorn Drive Suite 3
Houston, TX 77095-5007