

March 23, 2007

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 87501-1148

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

2007 MAR 28 AM 7:04

RE: **2007 PLAN OF DEVELOPMENT**
CARRACAS CANYON UNIT, #14-08-001-19596
RIO ARRIBA COUNTY, NEW MEXICO

Gentlemen:

By letter dated February 1, 2006, the 2006 Plan of Development (POD) was filed by Energen Resources Corporation as Unit Operator and provided for the following activity:

Well Name	Formation	Description	Completed
Carracas 34 A 7	Fruitland Coal	Horizontal Sidetrack	5/31/2006**
Carracas 26 A 11	Fruitland Coal	Horizontal Sidetrack	8/18/2006**

**in existing participating area

The following Participating Areas currently exist in the unit:

Formation	Expansion
Fruitland PA	1st
Fruitland PA B	1st
Fruitland PA C, D, E	2nd
Pictured Cliffs PA	Initial
Pictured Cliffs PA B	Initial

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

Fruitland Coal, Producing	21
Fruitland Coal, P&A	1
Pictured Cliffs, Producing	7
Dakota , P&A	1
Total Wells:	30

2007 Plan of Development

Carracas Canyon Unit, #14-08-001-19596

Rio Arriba County, New Mexico

March 23, 2007

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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 2007:

WELL NAME	FORMATION	TYPE	DEDICATION
Carracas FR 105 ST	Fruitland Coal	Horizontal Sidetrack	S/2, 22-32N-4W

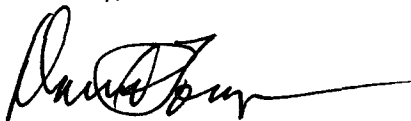
The Working Interest Owners are being contacted regarding the 2007 Plan of Development.

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 me at the number listed if there are any questions regarding this letter.

Sincerely,



David Poage
District Landman

Attachments

DP/mt

File: Carracas Canyon Unit (2007 POD)

CARRACAS CANYON UNIT 2007 PLAN OF DEVELOPMENT

APPROVED: _____
Bureau of Land Management

DATE: _____

APPROVED:  _____
Oil Conservation Division

DATE: 4-4-07

APPROVED: N/A FOR INFORMATION ONLY
COMMISSIONER OF PUBLIC LANDS

DATE: _____