

# Sommer, Udall, Hardwick, Ahern & Hyatt, LL<sup>PC</sup>

A Partnership of Professional Corporations

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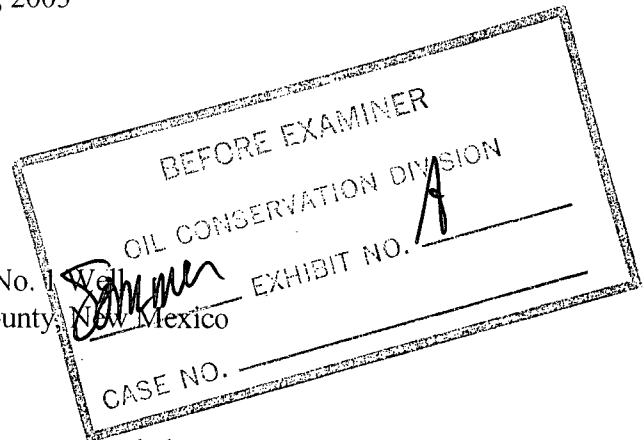
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September 27, 2005

J. Scott Hall  
Miller, Stratvert & Torgerson, P.A.  
P.O. Box 25687  
Albuquerque, NM 87102

Re: ENERGEN RESOURCES CORPORATION No. 1 Well  
SW1/2 Sec. 2, T25N R3W. NMPM, Rio Arriba County, New Mexico



Dear Mr. Hall:

I have been at home ill for two months. In my absence and unbeknownst to me, my son, Kurt, who is authorized to act for me, has requested a Ms. Hadie Salazar by telephone for a bid to end the dispute in the above entitled matter. By telephone to Kurt Sommer, Ms. Hadie Salazar has offered for the entire interest in Well No. 1 the of the Revocable Trust of Joseph A. Sommer, of which I am trustee, the sum of \$25,000. This offer is rejected for the reasons previously stated to you and your client, Energen Resource Corporation ("Energen"), a wholly owned subsidiary of Energen Development Corporation.

Gas is presently selling for about \$15<sup>50</sup> per MPF. Energen have shown my MPF owed by Energen to me to be 8,747 as of July 2005, even after sending me an invoice of \$6181<sup>22</sup> as of August 31<sup>st</sup>, 2005. Energen has offered to market my gas, which at \$15<sup>00</sup> a BTU would gross about \$131,205 if Energen will market my gas "owned" in the form of a "balancing unit". I am hereby demanding that Energen do one of two things on or by Monday, 31 October 2005. Either

(1) Pay me for the sale of the BTU's that are shown on Energen's books at the time of the sale, paying there from Energen's usual reasonable and customary charge for marketing. As it owes more than the gas amount to be received from the sale, the units so sold would thus be balanced. As of July of 2005, Energen had a negative figure as contrasted to the trust's positive balance. By now the credit for units has increased, but Energen's deficit for units has increased more. Since the trust did not sign a "balancing agreement", it would not be entitled to dribble out its deficit over a 14 year period. This would be giving the trust only the amount it necessarily concedes is due.

or (2) Have the units of BTU's accessible for the sale to a purchasing company and inform me in writing by 15 October 2005 that it will have such units available by 31 October 2005.

Sommer, Udall, Hardwick, Ahern & Hyatt, LLP

ATTORNEYS AT LAW

J. Scott Hall

September 27, 2005

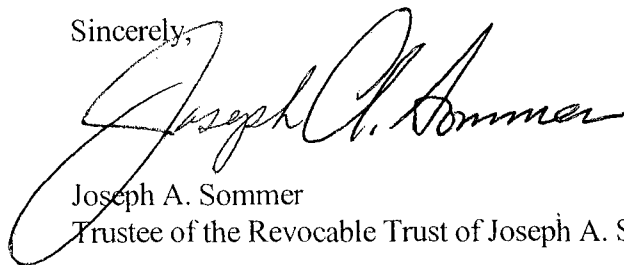
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The proceeds of the sale by Energen would have deducted from them what you claim is due from the trust, now \$6181<sup>22</sup>. The foregoing transactions would leave both parties free to urge its positions as it would be without prejudice to our position that Energen charged too great of fee for all of the gas it produced and fee for marketing, and your client to argue that it had title to and owned the gas in charges by it records to be units that are the trusts and not Energen's. Energen could also be free to argue that its charges for production and marketing were reasonable and should be allowed. [It would still have in its hand the various items in question except the money for the gas sold by it, or by a third party.]

If you agree to the foregoing, please let me know in writing at once, taking only a reasonable time to consult your client.

I do not mean to foreclose any arguments that we or you might make and warn you in advance that at any trial of this case punitive damages will be sought and a class action may be instituted If the case was not settled.

Sincerely,

A handwritten signature in cursive script, reading "Joseph A. Sommer". The signature is written in dark ink and is positioned above the printed name and title.

Joseph A. Sommer

Trustee of the Revocable Trust of Joseph A. Sommer