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February 27, 2009

2009 FEB 2 PM 1 25

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

RE: **2009 PLAN OF DEVELOPMENT**  
 CARRACAS CANYON UNIT, #14-08-001-19596  
 RIO ARRIBA COUNTY, NEW MEXICO

Gentlemen:

By letter dated March 24, 2008, the 2008 Plan of Development (POD) was filed by Energen Resources Corporation as Unit Operator and provided for the following activity:

WELL NAME	FORMATION	TYPE	DEDICATION	COMPLETED
Carracas Unit 16	Fruitland Coal	New Drill – Horizontal	S/2, 10-32N-5W	October 6, 2008
Carracas Unit 13	Fruitland Coal	New Drill – Horizontal	S/2, 11-32N-5W	June 18, 2008

Additionally, the following activity was not shown on the 2008 Plan of Development and should be added:

WELL NAME	FORMATION	DESCRIPTION	TYPE	COMPLETED
Carracas Unit 33 B 2	Fruitland Coal	New Drill – Horizontal	N/2, 33-32N-4W	October 24, 2008
Carracas Unit 102	Fruitland Coal	Converted to POW	E/2, 11-32N-5W	August 20, 2008

The following Participating Areas currently exist in the unit:

Formation	Expansion
Fruitland PA	1 <sup>st</sup>
Fruitland PA B	1 <sup>st</sup>
Fruitland PA C, D, E	2 <sup>nd</sup>
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	24
Fruitland Coal, P&A	3
Pictured Cliffs, Producing	6
Pictured Cliffs, Shut In	1
Dakota, P&A	1
<b>Total Wells:</b>	<b>35</b>

**2009 Plan of Development**

Carracas Canyon Unit, #14-08-001-19596  
Rio Arriba County, New Mexico  
February 27, 2009  
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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 2009:

WELL NAME	FORMATION	TYPE	DEDICATION
Carracas 23B 508	Lewis Shale	New Drill – Horizontal	S/2, 23-32N-4W

Energen owns 100% gross working interest in these proposed wells.

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 (2009 POD)

**CARRACAS CANYON UNIT 2009 PLAN OF DEVELOPMENT**

APPROVED: \_\_\_\_\_

Bureau of Land Management

DATE: \_\_\_\_\_

APPROVED:  \_\_\_\_\_

Oil Conservation Division

DATE: 3/3/09

APPROVED: N/A FOR INFORMATION ONLY \_\_\_\_\_

COMMISSIONER OF PUBLIC LANDS

DATE: \_\_\_\_\_