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May 25, 2010

2010 JUN -3 A 11: 32

Bureau of Land Management
Attn: Mr. Wayne Townsend
Farmington Resource Area
1235 La Plata Highway
Farmington, NM 87401

State of New Mexico
Commissioner of Public Lands
Attn: Mr. Pete Martinez
P.O. Box 1148
Santa Fe, NM 87501-1148

New Mexico Oil Conservation Division
Energy Minerals & Natural Resources
Attn: Ms. Lori Wrotenbery
1220 S. Saint Francis Drive
Santa Fe, NM 87505-4000

RE: San Juan 32-5 Unit #14-08-001-534
Commerciality determination
Fruitland Coal Formation
Rio Arriba County, New Mexico

Gentlemen:

Pursuant to the provisions of Section 11 (a) of the San Juan 32-5 Unit Agreement, Energen Resources Corp., as Operator, has made commerciality determinations for the wells listed below. Energen is seeking confirmation of the well determinations as shown. Detailed information of each determination is enclosed.

<u>Well Name & Number</u>	<u>Well Dedication</u>	<u>Dedicated Lease</u>	<u>Completion Date</u>	<u>Commerciality Determination</u>
San Juan 32-5 Unit #115	W/2 22-32N-6W	SF-079090	10-18-2008	Commercial

Upon receipt of response from the Bureau of Land Management and concurring responses from the Commissioner of Public Lands and New Mexico Oil Conservation Division, the formal Participating Area Schedules will be prepared and submitted.

Copies of this letter and enclosures are being sent to the working interest owners as listed on the attached page. Please contact the undersigned at (505) 4-4133 if there are any questions.

Sincerely,


David M. Poage
District Landman

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SJ 32.5 #115.txt

ACQ: SAN JUAN BR
WELL: SAN JUAN 32-5 COM 115
RSVR: FRUITLAND COAL
OPR: ENERGEN RESOURCES CORPORATION
RSV CAT: OIL PRVDP
CO ST: UNKNOWN NM

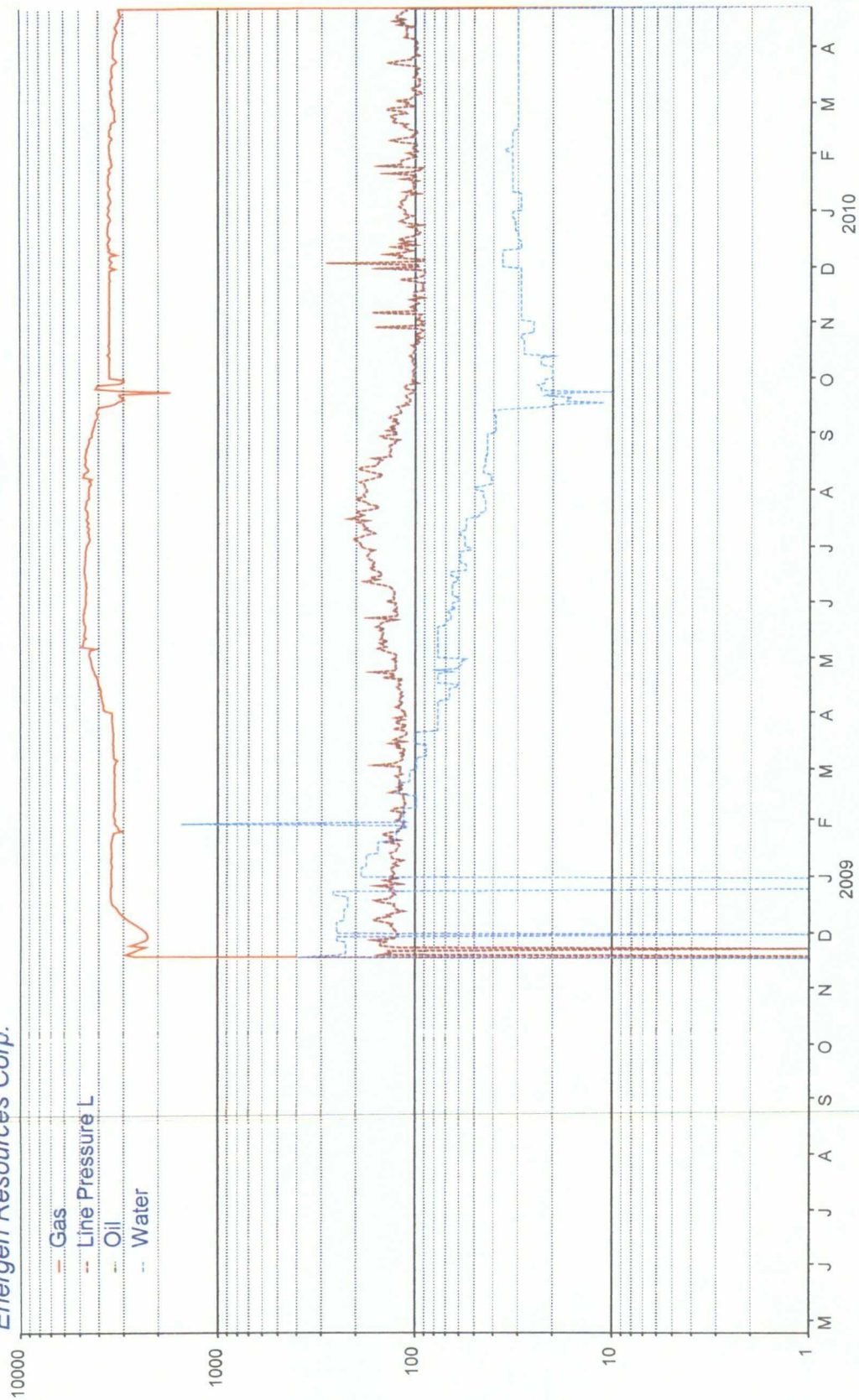
ENERGEN RESOURCES CORPORATION
RESERVES AND ECONOMICS
AS OF DATE: 9/08

DATE : 04/27/10
TIME : 08:46:14
DBS : WESTERN
SETTINGS : RMC_ECORES
SCENARIO : CV1001_RMC

-END- MO-YR	NUMBER GROSS WELLS	GROSS PROD OIL + COND MBLS	GROSS PROD WILHD GAS MMCF	NET OIL + COND MBLS	NET GAS VOLUME MMCF	NET NGL VOLUME MBLS	NET GAS EQUIV MMCF	EFFECTIVE O+C PRICE \$/BBL	EFFECTIVE GAS PRICE \$/MCF	EFFECTIVE NGL PRICE \$/BBL
12-08	1.0	0.000	126.363	0.000	68.132	0.000	68.132	0.000	4.698	0.000
12-09	1.0	0.000	1426.786	0.000	769.287	0.000	769.287	0.000	4.698	0.000
12-10	1.0	0.000	1227.071	0.000	661.605	0.000	661.605	0.000	4.698	0.000
12-11	1.0	0.000	1083.307	0.000	584.092	0.000	584.092	0.000	4.698	0.000
12-12	1.0	0.000	912.512	0.000	492.003	0.000	492.003	0.000	4.698	0.000
12-13	1.0	0.000	590.388	0.000	318.322	0.000	318.322	0.000	4.698	0.000
12-14	1.0	0.000	393.517	0.000	212.175	0.000	212.175	0.000	4.698	0.000
12-15	1.0	0.000	274.268	0.000	147.879	0.000	147.879	0.000	4.698	0.000
12-16	1.0	0.000	198.113	0.000	106.818	0.000	106.818	0.000	4.698	0.000
12-17	1.0	0.000	147.357	0.000	79.451	0.000	79.451	0.000	4.698	0.000
12-18	1.0	0.000	112.1315	0.000	60.557	0.000	60.557	0.000	4.698	0.000
12-19	1.0	0.000	87.896	0.000	47.122	0.000	47.122	0.000	4.698	0.000
S TOT	1.0	0.000	6579.392	0.000	3547.442	0.000	3547.442	0.000	4.698	0.000
REM	1.0	0.000	420.604	0.000	226.779	0.000	226.779	0.000	4.698	0.000
TOTAL	1.0	0.000	6999.996	0.000	3774.221	0.000	3774.221	0.000	4.698	0.000
-END- MO-YR	NET REV OIL + COND M\$	NET GAS REVENUE M\$	NET NGL REVENUE M\$	NET TOTAL REVENUE M\$	NET SEV + TAXES M\$	NET TOTAL EXP & ADV M\$	NET INVEST +ABAND-SALV M\$	NET OPER REVENUE M\$	8TAX CASHFLOW M\$	CUM 10.0% BTAX CF M\$
12-08	0.000	320.114	0.000	320.114	29.739	39.193	1242.491	251.182	-991.310	-997.719
12-09	0.000	3614.456	0.000	3614.456	335.783	434.170	0.000	2844.502	2844.502	1626.705
12-10	0.000	3108.520	0.000	3108.520	288.781	373.821	0.000	2445.917	2445.917	3684.380
12-11	0.000	2744.326	0.000	2744.326	254.948	330.379	0.000	2158.999	2158.999	5334.211
12-12	0.000	2311.653	0.000	2311.653	214.753	278.768	0.000	1818.132	1818.132	6600.119
12-13	0.000	1495.620	0.000	1495.620	138.943	181.430	0.000	1175.248	1175.248	7344.336
12-14	0.000	996.892	0.000	996.892	92.611	121.940	0.000	782.341	782.341	7794.533
12-15	0.000	694.800	0.000	694.800	64.547	85.905	0.000	544.348	544.348	8079.220
12-16	0.000	501.878	0.000	501.878	46.624	62.893	0.000	392.360	392.360	8265.716
12-17	0.000	373.296	0.000	373.296	34.679	47.555	0.000	291.062	291.062	8391.461
12-18	0.000	284.525	0.000	284.525	26.432	36.967	0.000	221.126	221.126	8478.293
12-19	0.000	221.399	0.000	221.399	20.568	29.437	0.000	171.395	171.395	8539.469
S TOT	0.000	16667.479	0.000	16667.479	1548.409	2022.458	1242.491	13096.612	11854.121	8539.466
REM	0.000	1065.510	0.000	1065.510	98.986	192.694	19.688	773.830	754.143	8711.750
TOTAL	0.000	17732.988	0.000	17732.988	1647.395	2215.153	1262.179	13870.442	12608.264	8711.750

WELL: SAN JUAN 32-5 UNIT COM 115
FIELD: FRUITLAND COAL

Energien Resources Corp.





WORKING INTEREST OWNERS

San Juan 32-5 Unit

BP America Production Inc.
Benson-Montin-Greer Drilling Corporation
La Plata Gathering System Inc.
Henrietta E. Schultz, Trustee

Mr. J. Glenn Turner, Jr.
Mr. William G. Webb
Williams Production Company
Frank O. Elliott and Edna Ione Hall Elliott
Energen Resources Corporation