

February 4, 2011

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: **2011 PLAN OF DEVELOPMENT**  
SAN JUAN 32-5 UNIT, #14-08-001-534  
RIO ARriba COUNTY, NEW MEXICO

Gentlemen:

The following Participating Areas currently exist in the unit:

<u>FORMATION</u>	<u>EXPANSION</u>	<u>EFFECTIVE DATE</u>
Mesaverde	8 <sup>th</sup>	12/1/1962
Dakota	6 <sup>th</sup>	11/1/1962
Fruitland Coal	9 <sup>th</sup>	11/1/2006

By letter dated March 11, 2010, the Plan of Development (POD) for the calendar year 2010 was filed by Energen Resources Corporation as Unit Operator and provided for the following activity:

WELL NAME	FORMATION	DEDICATION	TYPE	STATUS
San Juan 32-5 Unit 12C	Mesaverde	E/2 Sec 24, T32N, R6W	New Drill	Spud 6/4/2010 Completed 10/29/2010 First Del. 10/29/2010
San Juan 32-5 Unit 118	Fruitland Coal	E/2 Sec 16, T32N, R6W	New Drill	Carry over to 2011

As of this date, the total number of wells in the San Juan 32-5 Unit are as follows:

Mesaverde	Producing	24
Mesaverde	P&A	1
Mesaverde/Dakota	Producing	7
Dakota	Producing	1
Fruitland Coal	Producing	29
Fruitland Coal	Shut-in	2
		<hr/> 66

**2011 PLAN OF DEVELOPMENT**

San Juan 32-5 Unit – 14-08-001-534

Rio Arriba County, NM

Page 2 of 2

Pursuant to Section 10 of the San Juan 32-5 Unit Agreement, Energen Resources Corporation as Unit Operator, hereby submits the Plan of Development for 2010 as follows:

WELL NAME	FORMATION	DEDICATION	TYPE
San Juan 32-5 Unit 118	Fruitland Coal	E/2 Sec 16, T32N, R6W	New Drill

Energen owns 100% gross working interest in the rest of the proposed well.

Energen, 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.

Copies of this letter are being sent to the Working Interest Owners shown on the attached sheet.

Please contact the undersigned at (505) 324-4133 if there are any questions regarding this letter.

Very truly yours,




David M. Poage  
District Landman


Enclosures

DP/mt

**SAN JUAN 32-5 UNIT 2011 PLAN OF DEVELOPMENT**

APPROVED: \_\_\_\_\_ DATE: \_\_\_\_\_  
Bureau of Land Management

APPROVED: \_\_\_\_\_ DATE: \_\_\_\_\_  
  
Commissioner of Public Lands

APPROVED: \_\_\_\_\_ DATE: 2/10/2011  
  
Oil Conservation Division

**SAN JUAN 32-5 UNIT 12H, WORKING INTEREST OWNER**

XTO Energy Inc  
Attn: Aaron Austin  
810 Houston Street  
Fort Worth, TX 76102-6298