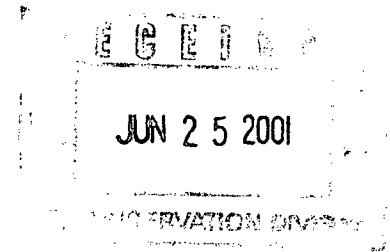




DHC-2926



June 18, 2001

New Mexico Oil Conservation Division
Attn: Mr. David Catanach
2040 S. Pacheco Street
Santa Fe, New Mexico 87505

RE: **APPLICATION FOR ADMINISTRATIVE APPROVAL**
DOWNHOLE COMMINGLING
BASIN DAKOTA POOL & WHITE WASH GALLUP/MANCOS POOL
NON-STANDARD LOCATION – WHITE WASH GALLUP/MANCOS POOL
FEDERAL 28-2E
SECTION 28, T25N-R9W
SAN JUAN COUNTY, NEW MEXICO

Dear Mr. Catanach:

This letter is to notify you that Energen Resources Corporation has no objection for administrative approval for downhole commingling of the Basin Dakota and the White Wash Gallup/Mancos Pools in the subject wellbore requested by Merrion Oil & Gas.

If you should have any questions please contact Rich Corcoran at (505) 326-6162.

Sincerely,

Gillian Armenta

Gillian Armenta
Land Assistant

cc: Merrion Oil & Gas