OIL CONS. DIV.

DIST. 3

May 9, 2012

New Mexico Oil Conservation Division Attn: Mr. Charlie Perrin 1000 Rio Brazos Road Aztec, NM 87410

Jicarilla West #9M
Unit C, Section 6, T26N, R05W
Rio Arriba County, New Mexico
Blanco-Mesaverde (72319), Basin DK (71599) & South Blanco P.C. (72439)
Administrative Order R-13347
DHC-3553AZ
API# 30-039-26306

Mr. Perrin:

Energen Resources finished a pay add and down hole commingling operations on the subject well, in accordance with the approved Notice of Intent.

Prior to commingling operations, the Blanco-Mesaverde and Basin Dakota were producing at a stabilized rate of about 95 MCFPD and about 0.5 BOPD. The South Blanco PC was added in May 2011. The well had stabilized at a rate of about 225 MCPD and about 0.5 BOPD. The following allocation is recommended (see attached production plot):

	<u>Gas</u>	<u>Oil</u>
Blanco-Mesaverde	<b>25%</b>	<del>0%</del>
Basin Dakota	17%	100%
South Blanco PC	58%	0%

If additional information is needed, please contact me at 505-325-6800.

Sincerely,

Adam Klem District Engineer

LEASE: JICARILLA WEST 9M DK/MV/PC

