

January 30, 2007

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

Jicarilla 152W #4B
Unit C, Section 5, T26N, R5W
Rio Arriba County, New Mexico
Blanco-Mesaverde (72319) & Basin-Dakota (71599)
DHC 2132AZ
API# 30-039-29294

Dear Mr. Hayden:

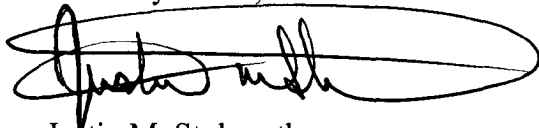
Energen Resources recently finished a pay add and down hole commingling operations on the subject well. In accordance with the approved Notice of Intent dated January 26, 2006 in accordance with Order#R-11363.

Prior to commingling operations, the Basin-Dakota was producing at a stabilized rate of about 150 MCFPD and about 3 BOPD. The Blanco-Mesaverde was added in January 18, 2007. The well had stabilized at a rate of about 570 MCPD and about 3 BOPD. The following allocation is recommended (see attached production plot):

	<u>Gas</u>	<u>Oil</u>
Blanco-Mesaverde	74%	0%
Basin-Dakota	26%	100%

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

Sincerely Yours,



Justin M. Stolworthy
District Engineer

Note: We will re-evaluate production in six month to determine if production allocation will need to be adjusted.

C wellfile, BLM FFO

LEASE: JICARILLA 152 W 4B DK-MV
FIELD: DK/MV

Energren Resources Corp.

