

April 16, 2004

Bureau of Land Management (3)  
Farmington Resource Area  
1235 LaPlata Highway  
Farmington, New Mexico 87401

N.M. Commissioner of Public Lands (2)  
P.O. Box 1148  
Santa Fe, New Mexico 87501-1148

N.M. Oil Conservation Division (2)  
Energy & Minerals Department  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

**RECEIVED**

APR 23 2004

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

RE: SAN JUAN 32-5 UNIT, #14-08-001-534  
2004 PLAN OF DEVELOPMENT  
RIO ARRIBA COUNTY, NEW MEXICO

Gentlemen:

By letter dated March 10, 2003, the Plan of Development (POD) for the calendar year 2003 was filed and provided for the drilling of the following wells:

<u>WELL</u>	<u>FOOTAGE</u>	<u>LOCATION</u>	<u>FORMATION</u>
San Juan 32-5 Unit #100S	2385' FNL & 2460' FWL	Sec. 24-T32N-R6W	Fruitland Coal
San Juan 32-5 Unit #101S	710' FSL & 780' FEL	Sec. 23-T32N-R6W	Fruitland Coal
San Juan 32-5 Unit #102S	1690' FNL & 835' FWL	Sec. 24-T32N-R6W	Fruitland Coal
San Juan 32-5 Unit #103S	1450' FNL & 710' FWL	Sec. 24-T32N-R6W	Fruitland Coal
San Juan 32-5 Unit #104S	1105' FNL & 1215' FWL	Sec. 25-T32N-R6W	Fruitland Coal
San Juan 32-5 Unit #105S	1670' FSL & 2105' FWL	Sec. 25-T32N-R6W	Fruitland Coal
San Juan 32-5 Unit #106S	955' FNL & 2105' FWL	Sec. 26-T32N-R6W	Fruitland Coal
San Juan 32-5 Unit #107S	875' FSL & 780' FEL	Sec. 26-T32N-R6W	Fruitland Coal

All wells except the San Juan 32-5 Unit #'s 100S and 102S were drilled, completed and are now producing.

During 2003 we recavitated the San Juan 32-5 Unit NP #106, Fruitland Coal well located in the SW/4 Sec. 26-T32N-R6W, Rio Arriba County, New Mexico.

The following Participating Areas currently exist in the unit:

<u>FORMATION</u>	<u>EXPANSION</u>	<u>EFFECTIVE DATE</u>
Mesa Verde	8 <sup>th</sup>	12/1/62
Dakota	6 <sup>th</sup>	11/1/62

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

Mesa Verde, Commercial	27
Mesa Verde, Non-Commercial	1
Mesa Verde, Plugged and Abandoned	4
Mesa Verde/Dakota Duals, Commercial	6
Mesa Verde/Dakota Duals, Dakota Plugged and Abandoned	3
Mesa Verde/Dakota Duals, Plugged and Abandoned	2
Dakota, Commercial	1
Dakota, Plugged and Abandoned	2
Fruitland Coal, Commercial	13
<b>TOTAL</b>	<b>59</b>

The following wells have been determined to be commercial and a new participating area for the Fruitland Coal is being established:

Well Name & Number	Dedication	Lease	Completion/Workover Date
San Juan 32-5 Unit #100	W <sup>2</sup> Sec. 23, T32N, R6W	NMSF079011	8/31/02
San Juan 32-5 Unit #101S	E <sup>2</sup> Sec. 23, T32N, R6W	FEE	7/28/03
San Juan 32-5 Unit #102	W <sup>2</sup> Sec. 24, T32N, R6W	FEE	4/30/00
San Juan 32-5 Unit #103S	E <sup>2</sup> Sec. 24, T32N, R6W	NMSF079011	10/20/03
San Juan 32-5 Unit #104	W <sup>2</sup> Sec. 25, T32N, R6W	NMSF081181	9/30/01
San Juan 32-5 Unit #105	E <sup>2</sup> Sec. 25, T32N, R6W	NMSF079011	4/30/00
San Juan 32-5 Unit #106	W <sup>2</sup> Sec. 26, T32N, R6W	NMNM03780	4/30/01
San Juan 32-5 Unit #107	E <sup>2</sup> Sec. 26, T32N, R6W	NMSF081181	4/30/01
San Juan 32-5 Unit #108	E <sup>2</sup> Sec. 27, T32N, R6W	NMSF079011A	4/30/00
San Juan 32-5 Unit #110	E <sup>2</sup> Sec. 22, T32N, R6W	NMSF079090	10/19/02
San Juan 32-5 Unit #111	All of Secs. 30 & 31, T32N, R5W	NMSF080657	11/25/01
San Juan 32-5 Unit #112	All of Secs. 18 & 19, T32N, R5W	NMSF080657	7/08/02
San Juan 32-5 Unit #113	S <sup>2</sup> Sec. 32, T32N, R5W	STATE	10/28/01

Pursuant to Section 10 of the San Juan 32-5 Unit Agreement, Energen Resources Corporation (Energen), as operator, hereby submits a Plan of Development providing for the drilling of the following wells during the calendar year 2004:

Well	Spacing Dedication	Location	Formation
San Juan 32-5 Unit #111S	Sec. 30 & 31 ALL	SE <sup>4</sup> Sec. 30-32N-5W	Fruitland Coal
San Juan 32-5 Unit #113S	S <sup>2</sup>	SE <sup>4</sup> Sec. 32-32N-5W	Fruitland Coal
San Juan 32-5 Unit #108S	E <sup>2</sup>	SE <sup>4</sup> Sec. 27-32N-6W	Fruitland Coal

Energen owns 100% of the working interest in all of the proposed wells.

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.

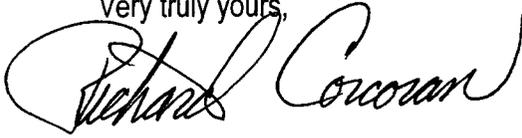
In accordance with Section 10 of the Unit Agreement, please advise of your approval by executing in the space provided below and returning a copy to the undersigned.

San Juan 32-5 Unit  
2004 Plan of Development  
Rio Arriba County, New Mexico

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

Please contact Richard Corcoran at (505) 325-6800 if there are any questions regarding this letter.

Very truly yours,



Richard P. Corcoran  
District Landman

RC/ga  
Enclosures

**SAN JUAN 32-5 UNIT 2002 PLAN OF DEVELOPMENT**

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

DATE: \_\_\_\_\_

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

DATE: \_\_\_\_\_

APPROVED: \_\_\_\_\_  
Oil Conservation Division

DATE: 4/23/04

San Juan 32-5 Unit  
2004 Plan of Development  
Rio Arriba County, New Mexico

**SAN JUAN 32-5 UNIT WORKING INTEREST OWNERS**

Energen Resources Corporation  
2198 Bloomfield Highway  
Farmington, New Mexico 87401

XTO Energy  
Attn: Tim Welch  
810 Houston Street  
Fort Worth, TX 76102-6298