

October 13, 2009

RECEIVED

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Bureau of Land Management
Attn: Mr. Wayne Townsend
1235 La Plata Highway
Farmington, NM 87401

State of New Mexico
Commissioner of Public Lands
Attn: Ms. Jamie Bailey
P.O. Box 1148
Santa Fe, NM 87501-1148

544

State of New Mexico
Oil Conservation Division
Energy & Minerals Department
Attn: Mr. Mark E. Fesmire
1220 South St. Francis Drive
Santa Fe, NM 87505-4000

RE: **San Juan 30-4 Unit #14-08-001-1056**
Fruitland Coal Participating Area
Initial Expansion, effective September 30, 2002
First Expansion, effective September 4, 2003
Rio Arriba County, New Mexico

Dear Sir or Madam:

Pursuant to the provisions of Section 11 (a) of the San Juan 30-4 Unit Agreement, approved September 11, 1953, Energen Resources Corporation, as Unit Operator, has determined that the listed wells are capable of producing unitized substances in paying quantities from the Fruitland Coal Formation and thereby should be admitted to the Fruitland Coal Participating Area. Pursuant to the BLM letter, attached is a list of the wells along with their respective tracts and completion dates.

INITIAL EXPANSION – EFFECTIVE SEPTEMBER 30, 2002

<u>Well Name & Number</u>	<u>Well Dedication</u>	<u>Dedicated Lease & Tract</u>	<u>Completion Date</u>	<u>Commerciality Determination</u>
San Juan 30-4 Unit 103	W/2, 18-30N-4W	USA SF-079485-A Tract 10	8-26-2002	Commercial

FIRST EXPANSION – EFFECTIVE SEPTEMBER 4, 2003

<u>Well Name & Number</u>	<u>Well Dedication</u>	<u>Dedicated Lease & Tract</u>	<u>Completion Date</u>	<u>Commerciality Determination</u>
San Juan 30-4 Unit 104	E/2, 19-30N-4W	USA SF-079487-A Tract 14	8-12-2003	Commercial

The schedules for the Initial and the First Expansion are enclosed. The schedules describe the Participating Area and show the percentage of unitized substances allocated to the tracts according to the ownership within the tracts.

Energen Resources Corporation would appreciate consideration of these Expansions as soon as possible. Please contact the undersigned at 505-326-4133 if there are any questions regarding this matter. Copies of this letter are being furnished to the Working Interest Owners on the attached list.

Very truly yours,



David M. Poage
District Landman

DMP/mt
SJ30-4 Unit WIO

SAN JUAN 30-4 UNIT WORKING INTEREST OWNERS

<p>Energen Resources Corporation 2010 Afton Place Farmington, New Mexico 87401</p>	<p>Navatex Energy, LP c/o Zia Data Search P.O. Drawer 2188 Roswell, NM 88202-2188</p>
<p>Burlington Resources Oil & Gas Company LP P.O. Box 4289 Farmington, New Mexico 87499</p>	<p>Providence Minerals LLC Attn: Karen Herbst 14860 Montfort Drive, Suite 209 Dallas, TX 75254</p>
<p>Dugan Production Corporation P.O. Box 420 Farmington, New Mexico 87499</p>	<p>Rio AribaGas c/o Eddie Dreyer Management Co. as Agent 4925 Greenville Avenue Suite 900 Dallas, TX 75206</p>
<p>J & M Raymond LTD Attn: James M. Raymond P.O. Box 291445 Kerrville, Texas 78029-1445</p>	<p>Trust of Ruth Zimmerman Attn: Hazel Z. Hart, Trustee 842 Muirlands Vista Way La Jolla, California 92037</p>
<p>Charles W. Gay C/O James M. Raymond P.O. Box 291445 Kerrville, Texas 78029-1445</p>	<p>T. H. McElvain Oil & Gas Attn: Nancy Rife 1050 17th Street, Suite 1800 Denver, CO 80265-1801</p>
<p>Lorrayn Gay Hacker C/O James M. Raymond P.O. Box 291445 Kerrville, Texas 78029-1445</p>	<p>The Tinmil, A New Mexico Ltd. Liability Company c/o Mr. Robert P. Tinnin, Jr. 500 Marquette Ave., NW, Suite 1300 Albuquerque, NM 87102</p>
<p>TAMACAM LLC C/O James M. Raymond P.O. Box 291445 Kerrville, Texas 78029-1445</p>	<p>Thomas P. Tinnin Attn: Mr. Tinnin 2303 Candelaria Road, NW Albuquerque, NM 87107</p>
<p>JABCO, LLP Attn: Debbie Coughlin c/o Bank of America, Private Bank P.O. Box 2546 Fort Worth, Texas 76113-2546</p>	<p>MAR Oil & Gas Corporation P. O. Box 5155 Santa Fe, NM 87502</p>



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:
San Juan 30-4 Unit FR PA
3162.7 (21110)

August 23, 2007

Mr. David M. Poage
Energen Resources Corporation
2198 Bloomfield Highway
Farmington, NM 87401

RE: San Juan 30-4 Unit
Commerciality Determinations
Fruitland Coal Formation
Rio Arriba County, NM

Dear Mr. Poage:

In response to your letter dated August 2, 2007, the Farmington Field Office has reviewed the data you submitted for a commerciality determination for the following wells completed in the Fruitland Coal formation.

*Expansion effective as of
Date of First Production
4/12 Article 11*

Well Name & Number	Dedication	Lease	Completion Date	Determination	
San Juan 30-4 Unit #55	E/2 Sec. 9, T30N, R4W	NMSF079483A	8/18/2004	Non-Commercial	
San Juan 30-4 Unit #57	W/2 Sec. 15, T30N, R4W	NMSF079485B	8/31/2004	Non-Commercial	
San Juan 30-4 Unit #103	W/2 Sec 18, T30N, R4W	NMSF079485A	8/26/2002 1st 9-03-2002	Commercial	9-08-21
San Juan 30-4 Unit #103S	W/2 Sec 18, T30N, R4W	NMSF079485A	8/17/2003 9-04-2003	Determination not necessary *	
San Juan 30-4 Unit #104	E/2 Sec 19, T30N, R4W	NMSF079487A	8/12/2003 9- - 2003	Commercial	9-04-21

* The initial well in the spacing unit the San Juan 30-4 Unit #103 was found to be a commercial well. It is not necessary to perform a commerciality determination on this infill well since it will automatically be admitted to the San Juan 30-4 Unit Fruitland Participating Area.

After completing our economic evaluations, we are in concurrence with the above determinations.

The wells that were determined to be commercial in the Fruitland Coal formation are to be included in the Fruitland participating area. It is required that the initial San Juan 30-4 Unit Fruitland Participating Area be submitted. It is also required that a subsequent revision be submitted to include the remaining commercial well in the San Juan 30-4 Unit Fruitland Participating Area. The wells that were determined to be non-commercial are to report their production under the lease number or communitization agreement number.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order(s) described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management (NM-92000), P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such requests shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

If you have any questions concerning this matter, please contact Wayne Townsend at the above address or telephone (505) 599-6359.

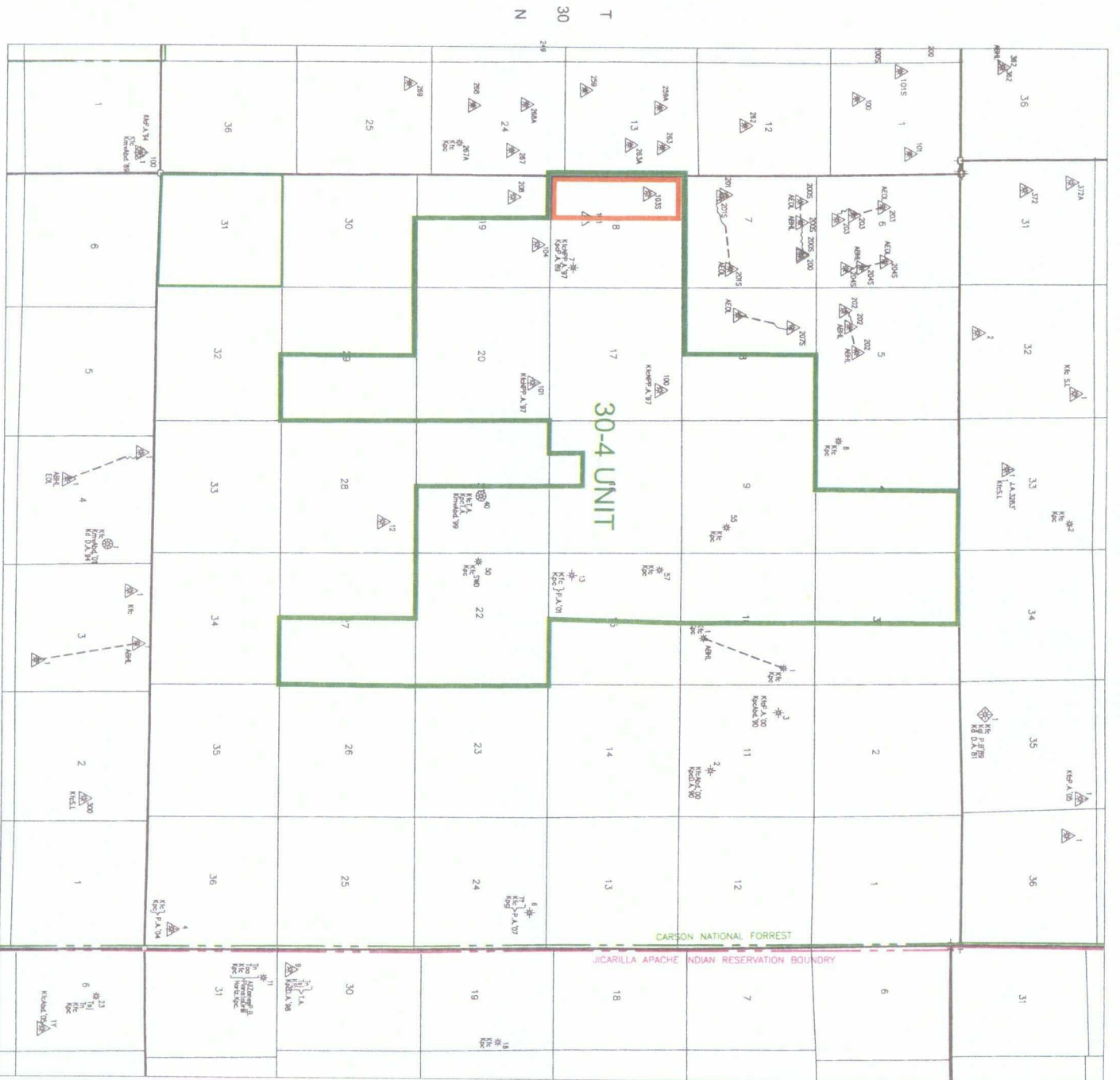
Sincerely

A handwritten signature in black ink, appearing to read "Wayne Townsend". The signature is fluid and cursive, with a large loop at the end of the last name.

Wayne Townsend
Petroleum Engineer
Branch of Petroleum Management

San Juan 30-4 Unit
Rio Arriba County, New Mexico
Initial Expansion to the Fruitland Participating Area
Effective September 30, 2002

Lease Name or Serial Number	Description	Number of Acres	Ownership	Unit Tract	GWI Percentage	NRI Percentage	Participation Factor
SF-079485A	T30N-R4W Section 18: W/2 (Lots 1,2,3,4,E/2W/2)	219.04	ORRI: Royalty: Minerals Management Service	Tract 10		17.5000000% 12.5000000%	100.0000000%
San Juan 30-4 # 103			Working Interest Energen Resources Corporation		100.0000000%	70.0000000%	
			TOTAL		100.0000000%	100.0000000%	
		219.04	TOTAL INITIAL UNIT ACRES				



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LEGEND

- FRUITLAND COAL WELL
- ENERGEN LEASEHOLD
- INITIAL EXPANSION TO THE FRUITLAND COAL PARTICIPATING AREA

ENERGEN RESOURCES

SAN JUAN 30-4 UNIT
RIO ARriba CO., NEW MEXICO
INITIAL EXPANSION TO THE
FRUITLAND COAL PARTICIPATING AREA
DATE: MARCH, 2008 N.T.S.

Lease Name or Serial Number	Number of Acres	Ownership	Unit Tract	GW/ Percentage	NRI Percentage	Participation Factor
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T30N-R4W
Section 19: E/2

12.500000%

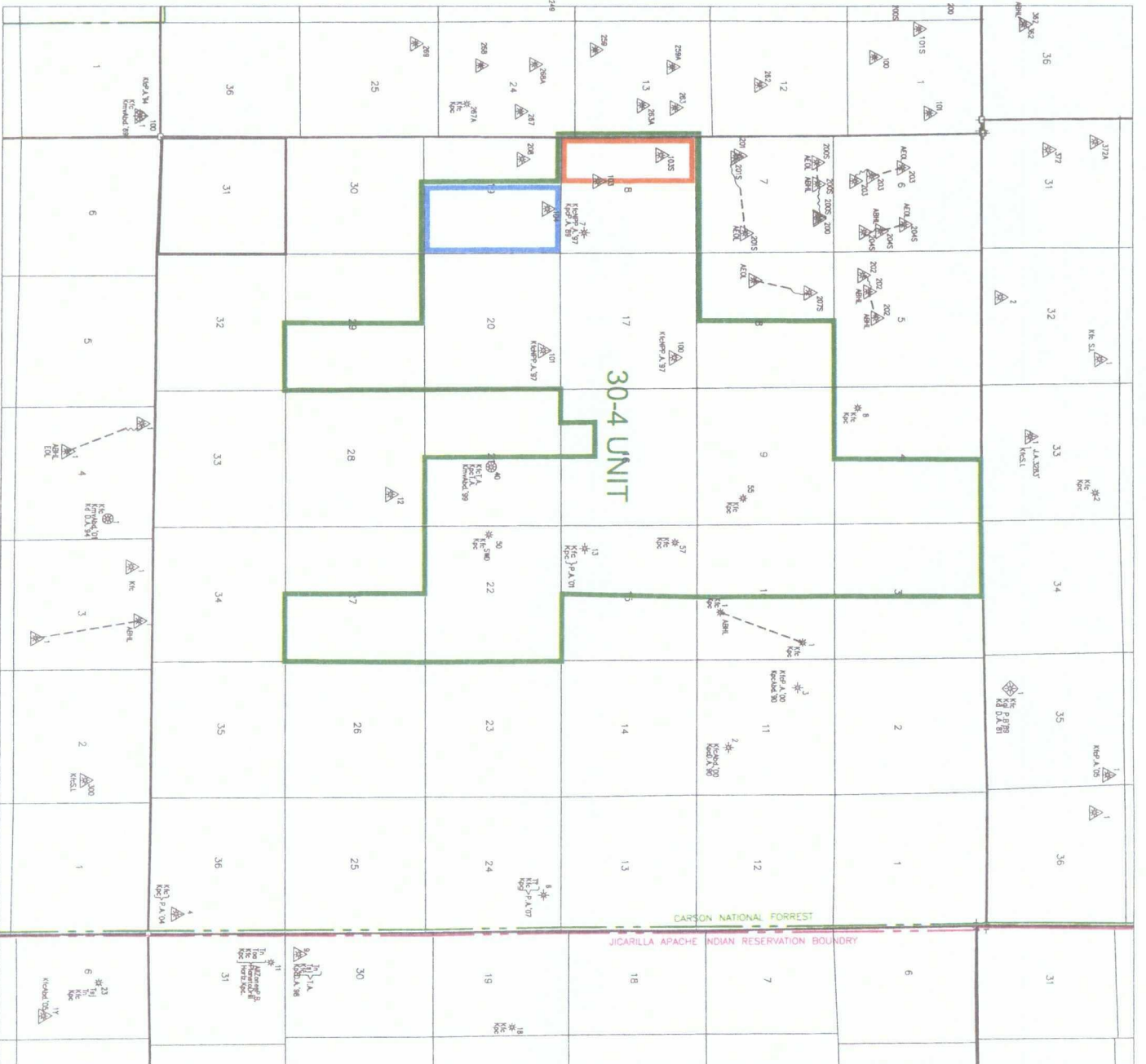
Working Interest:

79.484379%	69.548832%
0.045573%	0.039876%
0.045573%	0.039876%
1.312500%	1.148438%
1.312500%	1.148438%
3.125000%	2.734375%
0.164063%	0.143555%
0.164062%	0.143554%
0.911456%	0.797524%
1.312500%	1.148438%
0.091144%	0.079751%
0.984375%	0.861328%
1.640625%	1.435541%
5.468750%	4.785156%
0.437500%	0.382813%
3.500000%	3.062500%
100.000000%	100.000000%

TOTAL FIRST EXPANSION ACRES

San Juan 30-4 Unit
 Rio Arriba County, New Mexico
 First Expansion to the Fruitland Participating Area
 Effective September 4, 2003

Lease Name or Serial Number	Description	Number of Acres	Ownership	Unit Tract	GW/ Percentage	NRI Percentage	Participation Factor
SF-079485A	T30N-R4W Section 18: W/2 (Lots 1,2,3,4,E/2W/2)	219.04	ORRI: Royalty: Minerals Management Service	Tract 10		17.500000% 12.500000%	40.635203%
San Juan 30-4 # 103							
			Working Interest Energen Resources Corporation		100.000000%	70.000000%	
			TOTAL		100.000000%	100.000000%	
		219.04	TOTAL INITIAL UNIT ACRES				
		539.04	TOTAL EXPANDED UNIT ACRES				100.000000%



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LEGEND

- FRUITLAND COAL WELL
- ENERGEN LEASEHOLD
- INITIAL EXPANSION TO THE FRUITLAND COAL PARTICIPATING AREA
- FIRST EXPANSION TO THE FRUITLAND COAL PARTICIPATING AREA

ENERGEN
RESOURCES

SAN JUAN 30-4 UNIT
RIO ARriba CO., NEW MEXICO
FIRST EXPANSION TO THE
FRUITLAND COAL PARTICIPATING AREA

DATE: MARCH, 2008 N.T.S.