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March 11, 2010

Bureau of Land Management
Farmington Resource Area
1235 La Plata Highway
Farmington, NM 87401

New Mexico Commissioner of Public Lands
PO Box 1148
Santa Fe, NM 87501-1148

New Mexico Oil Conservation Division
Energy Minerals Department
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: **2010 PLAN OF DEVELOPMENT**
SAN JUAN 30-4 UNIT, #14-08-001-1056
RIO ARRIBA COUNTY, NEW MEXICO

Gentlemen:

The following Participating Areas currently exist in the San Juan 30-4 Unit:

| <u>Formation</u> | <u>Expansion</u> | <u>Effective Date</u> |
|------------------|------------------|-----------------------|
| Pictured Cliffs | 12 th | 1/1/1974 |
| Mesaverde | 1 st | 8/1/1960 |
| Mesaverde "A" | 4 th | 9/1/2000 |
| Fruitland Coal | 1 st | 9/4/2003 |

By letter dated February 27, 2009, the Plan of Development (POD) for the calendar year 2009 was filed by Energen Resources Corporation as Unit Operator and provided for the following activity:

| <u>Well Name</u> | <u>Formation</u> | <u>Dedication</u> | <u>Type</u> | <u>Status</u> |
|--|------------------|--|------------------------|--|
| San Juan 30-4 Unit 58 | Pictured Cliffs | Sec 9&10-T30N-R4W | New Drill – Horizontal | Carry over to 2010 |
| San Juan 30-4 Unit 105 Formerly San Juan 30-4 Unit 105S | Fruitland Coal | E/2 Sec 18-T30N-R4W | New Drill – Horizontal | Spud 9/12/2008 Completed 6/25/2009 First Delivered 7/30/2009 |
| San Juan 30-4 Unit Com 63 | Pictured Cliffs | Surf. SE Sec 16-T30N-R4W BHL: S/2 Sec 15-T30N-R4W | New Drill – Horizontal | Carry over to 2010 |

Additionally, the following activity was not shown on the 2009 Plan of Development and should be added:

| <u>Well Name</u> | <u>Formation</u> | <u>Description</u> | <u>Type</u> |
|-----------------------|------------------|--------------------|---------------------------------------|
| San Juan 30-4 Unit 11 | Pictured Cliffs | Sec. 8, T30N-4W | Plugged & Abandoned, October 28, 2009 |

As of this date, the total number of wells in the San Juan 30-4 Unit is as follows:

| | | |
|-----------------|-----------|-----------|
| Pictured Cliffs | Producing | 26 |
| Pictured Cliffs | P&A | 6 |
| Pictured Cliffs | Shut-in | 2 |
| Mesaverde | Producing | 17 |
| Mesaverde | Shut-in | 1 |
| Fruitland Coal | Producing | 4 |
| | | <u>56</u> |

Pursuant to Section 10 of the San Juan 30-4 Unit Agreement, Energen Resources Corporation, as Unit Operator, hereby submits the Plan of Development for 2010 as follows:

| Well Name | Formation | Dedication | Type |
|---------------------------|-----------------|--|------------------------|
| San Juan 30-4 Unit 58 | Pictured Cliffs | Sec 9&10-T30N-R4W | New Drill – Horizontal |
| San Juan 30-4 Unit 64 | Pictured Cliffs | Sec 21 & 22, T30N, R4W Spacing Unit: SE/4 of Sec 21 & SW/4 of Sec 22 Surf: Sec 21, SESW BHL: Sec 22, SESW | New Drill – Horizontal |
| San Juan 30-4 Unit Com 63 | Pictured Cliffs | Surf. SE Sec 16-T30N-R4W BHL: S/2 Sec 15-T30N-R4W | New Drill – Horizontal |

The Working Interest Owners are being contacted regarding the 2010 Plan of Development.

Energen Resources Corporation, 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.

Please contact me at 505-324-4133 if there are any questions regarding this letter.

Very truly yours,



David Poage
 District Landman

DP/mt

SAN JUAN 30-4 UNIT 2010 PLAN OF DEVELOPMENT

APPROVED: _____
 Bureau of Land Management

DATE: _____

APPROVED:  _____
 Oil Conservation Division

DATE: 3/29/10

APPROVED: N/A FOR INFORMATION ONLY _____
 COMMISSIONER OF PUBLIC LANDS

DATE: _____

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 Corporation P.O. Drawer 2188 Roswell, NM 88202</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 75240</p> |
| <p>Dugan Production Corporation P.O. Box 420 Farmington, New Mexico 87499</p> | <p>Rio ArribaGas 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>Ruth Zimmerman Attn: Hazel Hart 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</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, NW, Suite 800 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 Nations Bank of Texas, N.A. P.O. Box 2546 Fort Worth, Texas 76113-2546</p> | <p>MAR Oil & Gas Corporation P. O. Box 5155 Santa Fe, NM 87502</p> |