



491

February 4, 2011

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: **2011 PLAN OF DEVELOPMENT**
 SAN JUAN 32-5 UNIT, #14-08-001-534
 RIO ARRIBA COUNTY, NEW MEXICO

Gentlemen:

The following Participating Areas currently exist in the unit:

<u>FORMATION</u>	<u>EXPANSION</u>	<u>EFFECTIVE DATE</u>
Mesaverde	8 th	12/1/1962
Dakota	6 th	11/1/1962
Fruitland Coal	9 th	11/1/2006

By letter dated March 11, 2010, the Plan of Development (POD) for the calendar year 2010 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 32-5 Unit 12C	Mesaverde	E/2 Sec 24, T32N, R6W	New Drill	Spud 6/4/2010 Completed 10/29/2010 First Del. 10/29/2010
San Juan 32-5 Unit 118	Fruitland Coal	E/2 Sec 16, T32N, R6W	New Drill	Carry over to 2011

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

Mesaverde	Producing	24
Mesaverde	P&A	1
Mesaverde/Dakota	Producing	7
Dakota	Producing	1
Fruitland Coal	Producing	29
Fruitland Coal	Shut-in	2
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2011 PLAN OF DEVELOPMENT

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Rio Arriba County, NM

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Pursuant to Section 10 of the San Juan 32-5 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 32-5 Unit 118	Fruitland Coal	E/2 Sec 16, T32N, R6W	New Drill

Energen owns 100% gross working interest in the rest of the proposed well.

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.

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

Please contact the undersigned at (505) 324-4133 if there are any questions regarding this letter.

Very truly yours,



David M. Poage
District Landman

Enclosures

DP/mt

SAN JUAN 32-5 UNIT 2011 PLAN OF DEVELOPMENT

APPROVED: _____
Bureau of Land Management

DATE: _____

APPROVED:  _____
Commissioner of Public Lands

DATE: _____

APPROVED:  _____
Oil Conservation Division

DATE: 2/10/2011

SAN JUAN 32-5 UNIT 12H, WORKING INTEREST OWNER

XTO Energy Inc
Attn: Aaron Austin
810 Houston Street
Fort Worth, TX 76102-6298