

October 18, 2011

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



Jicarilla 94 #5C
Unit E, Section 23, T27N, R03W
Rio Arriba County, New Mexico
Blanco-Mesaverde (72319) & Gavilan P.C. (77360)
Administrative Order R-13347
API# 30-039-27671

Mr. Perrin:

Energen Resources recently finished a pay add and down hole commingling operations on the subject well, in accordance with the approved Notice of Intent.

Prior to commingling operations, the Blanco-Mesaverde was producing at a stabilized rate of about 80 MCFPD and about 0.5 BOPD. The Gavilan PC was added in May 2011. The well had stabilized at a rate of about 560 MCPD and about 1 BOPD. The following allocation is recommended (see attached production plot):

	<u>Gas</u>	<u>Oil</u>
Blanco-Mesaverde	15%	50%
Gavilan PC	85%	50%

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

Sincerely,

Martin Cabrera
District Engineer

LEASE: JICARILLA 94 5C MV/PC
FIELD: BLANCO MESAVERDE

