

8
July 10, 2012

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

Jicarilla 95 #3B
Unit N, Section 35, T27N, R03W
Rio Arriba County, New Mexico
Basin Mancos (97232), Blanco-Mesaverde (72319) & Gavilan P.C. (77360)
DHC-3835-A
API# 30-039-26550

Mr. Perrin:

Energen Resources 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 and Basin Mancos were producing at a stabilized rate of about 120 MCFPD and about 0.25 BOPD. The Gavilan PC was added in March 2012. The well had stabilized at a rate of about 330 MCPD and about 0.25 BOPD. The following allocation is recommended (see attached production plot):

	<u>Gas</u>	<u>Oil</u>
Blanco-Mesaverde	30%	50%
Basin Mancos	09%	50%
Gavilan PC	61%	0%

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

Sincerely,



Adam Klem
District Engineer

LEASE: JICARILLA 95 3B GL/MV/PC

