



April 8, 2004

New Mexico Oil Conservation Division  
1000 Rio Brazos Road  
Aztec, New Mexico 87410

Mexico Federal R #1C  
Unit B, Section 12, T 31 N, R 13 W  
San Juan Co., New Mexico  
Blanco Mesaverde (72319) & Basin Dakota (71599)  
Administrative Order R-11363, DHC 1232AZ  
API # 30-045-31236

Dear Mr. Hayden:

Energen Resources has completed the approved Mesaverde-Dakota down-hole commingling operations on the subject well. In accordance with the approved Administrative Order, the supervisor of the Aztec District Office of the NMOCD shall determine the proper production allocation.

Prior to commingling operations, the Dakota was first delivered in April 2003 and produced at a rate of 30 MCFD & 0.5 BOPD. The Mesaverde was then completed in June 2003 and the well was returned to production on July 25, 2003. It took a few months to line out the production, but by February 2004, the well was producing at a rate of 150 MCFD & 0.5 BOPD. The following allocation is recommended:

	<u>Gas</u>	<u>Oil</u>
Mesaverde	80%	0%
Dakota	20%	100%

If additional information is needed, please contact me at 566-4680.

Sincerely Yours,

Charles J. Donahue  
District Engineer