

June 25, 2008

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

RCVD JUL 3 '08
OIL CONS. DIV.

DIST. 3

Jicarilla 96 #5B
Unit F, Section 11, T26N, R3W
Rio Arriba County, New Mexico
Blanco-Mesaverde (72319) & Gavilan P.C. (77360)
DHC 3829
API# 30-039-26587

Dear Mr. Hayden:

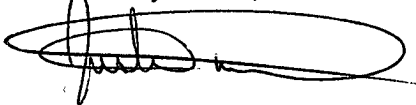
Engen Resources recently finished a pay add and down hole commingling operations on the subject well, in accordance with the approved Notice of Intent dated November 28, 2006.

Prior to commingling operations, the Blanco-Mesaverde was producing at a stabilized rate of about 140 MCFPD and about .05 BOPD. The Gavilan PC was added in August 2007. The well had stabilized at a rate of about 280 MCPD and about .05 BOPD. The following allocation is recommended (see attached production plot):

	<u>Gas</u>	<u>Oil</u>
Blanco-Mesaverde	50%	100%
Gavilan PC	50%	0%

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

Sincerely Yours,



Justin M. Stolworthy
District Engineer

Note: We will re-evaluate production in six month to determine if production allocation will need to be adjusted.

C wellfile, BLM FFO