



March 29, 2010


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

RCVD APR 1 '10

OIL CONS. DIV.

DIST. 3

Jicarilla 119N #8A
Unit D, Section 8, T26N, R4W
Rio Arriba County, New Mexico
Blanco-Mesaverde (72319) & Tapacito P.C. (85920)
DHC 2813AZ
API# 30-039-21314

 Dear Mr. Hayden:

Energen Resources recently finished a pay add and down hole commingling operations on the subject well, in accordance with the approved Notice of Intent dated February 21, 2008.

Prior to commingling operations, the Blanco-Mesaverde was producing at a stabilized rate of about 40 MCFPD and about 0.5 BOPD. The Tapacito PC was added in June 2009. The well had stabilized at a rate of about 180 MCPD and about .05 BOPD. The following allocation is recommended (see attached production plot):

	<u>Gas</u>	<u>Oil</u>
Blanco-Mesaverde	22%	100%
Tapacito PC	78%	0%

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

Sincerely,

Martín Cabrera
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

LEASE: JICARILLA 119 N 8A MV/PC
FIELD: MESAVERDE

Energen Resources Corp.

