

November 22, 2002

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

Jicarilla 97 #6  
Unit D, Section 7, T 26 N, R 3 W  
Rio Arriba Co., New Mexico  
Blanco Mesa Verde (72319) & Wild Horse Gallup (87360) & Basin Dakota (71599)  
Administrative Order DHC 2740  
API # 30-039-26261

Dear Mr. Hayden:

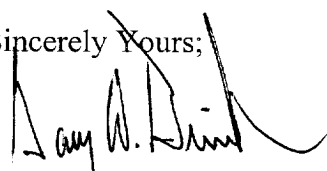
Energen Resources recently finished a pay add and down hole commingling operations on the subject well. In accordance to the approved Administrative Order, the supervisor of the Aztec District Office of the NMOCD shall determine the proper production allocation.

Prior to commingling operations, the Gallup produced at a stabilized rate of 90 MCFD & 0 BOPD and the Dakota produced at a rate of 125 MCFD and 2 BOPD. The Mesa Verde was added in August 2002 and the well returned to production in September. The well has stabilized at a rate of 330 MCFD & 2 BOPD. The following allocation is recommended:

	<b>Gas</b>	<b>Oil</b>
<b>Mesa Verde</b>	<b>35%</b>	<b>0%</b>
<b>Gallup</b>	<b>27%</b>	<b>0%</b>
<b>Dakota</b>	<b>38%</b>	<b>100%</b>

If additional information is needed, please contact me.

Sincerely Yours;

  
Gary W. Brink  
General Manager- San Juan