

July 24, 2001

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

Jicarilla 119N #10M
Unit M, Section 7, T 26 N, R 4 W
Rio Arriba Co., New Mexico
Blanco Mesa Verde (72319) & Basin Dakota (71599) Pools
Administrative Order R-11363
API # 30-039-26570



Dear Mr. Hayden:

Energen Resources recently finished completion operations on the subject well. In accordance to the approved C-103, the supervisor of the Aztec District Office of the NMOCD shall determine the proper production allocation.

The well was completed and cleaned out to total depth with both the Mesa Verde and Dakota perforations open. The Well was tested through a ¼" choke for 8 hrs at a stabilized rate of 380 MCFD. The tubing was pulled and an RBP was set below the Mesa Verde perforations. The tubing was rerun and the Mesa Verde was tested through a ¼" choke for 12 hrs at a stabilized rate of 280 MCFD. Both zones produced a trace of oil. It is recommended the following allocation:

 Gas
 Oil

 Mesa Verde
 74%
 50%

 Dakota
 26%
 50%

DHC442A2

If additional information is needed, please contact me.

17 am W. D.

Sincerely Yours:

District Superintendent