

February 1, 2006

Bureau of Land Management (3)
Farmington Resource Area
1235 La Plata Highway
Farmington, New Mexico 87401

New Mexico Commissioner of Public Lands (2)
P. O. Box 1148
Santa Fe, New Mexico 87501-1148

New Mexico Oil Conservation Division (2)
Energy & Minerals Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: CARRACAS CANYON UNIT, #14-08-001-19596
2006 PLAN OF DEVELOPMENT
RIO ARRIBA COUNTY, NEW MEXICO

Gentlemen:

By letter dated February 9, 2005, the Plan of Development (POD) for the calendar year 2005 was filed by Energen Resources Corporation (Unit Operator). The well was drilled, completed and is presently producing. The following wells were drilled, completed and are presently Producing.

<u>Well Name</u>	<u>Formation</u>	<u>Description</u>	<u>Completed</u>
Carracas Canyon Unit #26B 7	PC	NE/4 26-T32N-R4W	10-28-2005
Carracas Canyon Unit #27A 9	FC	SE/4 27-T32N-R5W	10-05-05**

**in existing participating area

A Commercial Determination Application as needed for each well will be filed once adequate history has been developed on the well.

The following Participating Areas currently exist in the unit:

<u>Formation</u>	<u>Expansion</u>
Fruitland PA	1 st
Fruitland PA B	1 st
Fruitland PA C, D, E	2 nd
Pictured Cliffs PA	Initial
Pictured Cliffs PA B	Initial

As of this date, the total number of wells in the Carracas Canyon Unit are as follows:

Fruitland Coal, Producing	21
Fruitland Coal, T. A.	1
Pictured Cliffs, Producing	7
Dakota, T. A.	<u>1</u>
Total Producing	29

Pursuant to Section 10 of the Carracas Canyon Unit Agreement, Energen Resources Corporation, as operator, hereby submits a Plan of Development providing for the drilling of the following wells during the calendar year 2006:

<u>Well Name</u>	<u>Location</u>	<u>Formation</u>
Carracas 34A 7	NE ⁴ Section 34-T32N-R5W	Fruitland Coal**
**horizontal sidetrack		

The Working Interest Owners are being contacted regarding the 2006 Plan of Development.

Energen Resources Corporation, as Unit Operator, plans to drill any offset wells required to prevent drainage of unitized substances and any other wells deemed necessary or desirable by the Unit Operator and the Working Interest owners.

In accordance with Section 10 of the Unit Agreement, please advise of your approval by executing in the space provided below and returning a copy to the undersigned.

Please contact me at the number listed if there are any questions regarding this letter.

Very truly yours,



David Poage
District Landman

CARRACAS CANYON UNIT
#14-08-001-19596
2006 Plan of Development
Rio Arriba County, New Mexico

CARRACAS CANYON UNIT 2006 PLAN OF DEVELOPMENT

APPROVED: _____
Bureau of Land Management

DATE: _____

APPROVED: _____
Oil Conservation Division

DATE: _____

APPROVED: N/A FOR INFORMATION ONLY
COMMISSIONER OF PUBLIC LANDS

DATE: _____

CARRACAS CANYON UNIT
#14-08-001-19596
2006 Plan of Development
Rio Arriba County, New Mexico

**CARRACAS CANYON UNIT
WORKING INTEREST OWNERS**

Seacoast Oil & Gas Incorporated
Attn: Robert Davant
9839 Whitehorn Drive Suite 3
Houston, TX 77095-5007



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Rio Arriba County, New Mexico

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APPROVED: _____

Bureau of Land Management

DATE: _____

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Oil Conservation Division

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APPROVED: N/A FOR INFORMATION ONLY

COMMISSIONER OF PUBLIC LANDS

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Rio Arriba County, New Mexico

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WORKING INTEREST OWNERS**

Seacoast Oil & Gas Incorporated
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