



July 19, 2006

Certified Mail
7005 1820 00028596 9525

Bennett Interests L.P.
PMB 305
8409 Pickwick Lane
Dallas, TX 75225-9006

RE: New Development Well
Richardson #100
Section 2, T27N, R13W
San Juan County, New Mexico

To Whom It May Concern:

Energen Resources Corporation (Energen) is making plans to drill, complete and equip the listed well at a location Section 2, T27N-R13W, San Juan County, New Mexico, to a depth sufficient to adequately test the Fruitland Coal formation. This well will be in the Basin Fruitland Coal pool.

Attached is our AFE in the total amount of \$400,241.50. Please execute and return one copy of the enclosed AFE for your share of the cost. Also enclosed are an Operating Agreement and a Communitization Agreement for your execution.

Thank you for your attention to this matter and if there should be any questions, please contact me at the number listed.

Sincerely,

Gillian Armenta for

David M. Poage
District Landman

DP/ga
Enclosures

ENERGEN RESOURCES

AUTHORITY FOR EXPENDITURE

ESTIMATED WELL COSTS

WELL NAME AND NUMBER		PROPERTY NUMBER		DATE	
Richardson #100		20354A		7/10/2006	
OPERATOR		FIELD OR AREA		STATE	
Energen Resources		Basin Fruitland Coal		New Mexico	
PROJECT DESCRIPTION AND LOCATION		COUNTY		TOWNSHIP	
New Development Well - Revised		San Juan		27N	
		SECTION: 2		RANGE 13W	
		PROPOSED FORMATION		PROPOSED DEPTH	
		Fruitland Coal		1,500	
<input checked="" type="checkbox"/> SINGLE <input type="checkbox"/> DUAL <input type="checkbox"/> LAND <input type="checkbox"/> MARSH		<input type="checkbox"/> OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> BAY <input type="checkbox"/> GULF		<input type="checkbox"/> EXPL. <input checked="" type="checkbox"/> DEV. <input type="checkbox"/> STRAT. DATE TO START 7/12/2006	
		<input type="checkbox"/> WORKOVER <input checked="" type="checkbox"/> NEW		<input checked="" type="checkbox"/> CAPITAL <input type="checkbox"/> EXPENSE	
		<input type="checkbox"/> DEEPEN <input type="checkbox"/> YES <input type="checkbox"/> NO		<input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> SUPPLEMENT	
TANGIBLES - 940		DRY HOLE COSTS		COMPLETION COSTS	
TUBULAR GOODS				TOTAL COSTS	
101	Conductor Pipe	In.	Fl.	\$/Fl.	\$0.00
106	Surface Casing	7	200	15.31	\$3,062.00
104	Production	4 1/2	1,500	8.20	\$12,300.00
104	First Inter.	In.	Fl.	\$/Fl.	\$0.00
104	Second Inter.	In.	Fl.	\$/Fl.	\$0.00
104	Prod. Liner	In.	Fl.	\$/Fl.	\$0.00
105	Rods	3/4	1,400	2.49	\$3,486.00
107	Tubing	2 3/8	1,400	3.64	\$5,096.00
107	Tubing	In.	Fl.	\$/Fl.	\$0.00
EQUIPMENT					
201	Wellhead				\$4,500.00
102,103	Tbg & Csg Acc,liner hgr, Prod Pkr.				\$2,500.00
202,203	Production				\$80,000.00
205,206	Equipment				\$30,000.00
204	Other				\$0.00
TOTAL TANGIBLES				\$140,944.00	
INTANGIBLES - 950					
DRILLING COSTS					
103	Turnkey				\$0.00
103	Footage	1,500	Fl.	23.00	\$34,500.00
103	Day Work		Da.	\$/Da.	\$0.00
208	Comp Rig	36	Hr.	250.00	\$9,000.00
208	Service unit				\$0.00
105	Rental Tools, Services, Chokes, Etc.				\$2,500.00
107,205	Rig Moving Cost				\$0.00
105	Other				\$0.00
CEMENTING (INCL. FLOAT EQUIP. ETC.)					
102	Surface				\$5,000.00
102	Intermediates				\$0.00
201	Production				\$8,500.00
201	Production Liners				\$0.00
102	Tieback String				\$0.00
201	Squeeze Cemt. (incl. Ret. & Pkrs.)				\$0.00
201	Other				\$0.00
FORMATION TREATMENT					
207	Acidizing				\$0.00
207	Fracturing Equipment & Materials				\$110,000.00
204	Frac. Fluid				\$5,000.00
203,205	Tank Rental & Hauling				\$3,000.00
SPECIAL SERVICES					
206	Perforation (set B.P. & Pkrs., Wireline Etc.)				\$6,500.00
150	Mud Logging Data Units				\$0.00
150	Formation Logging				\$7,500.00
160,250	Cores, DST=s, Well Testing, etc.				\$0.00
150	Drilling Logs (CBL, Tracer, Inspection, W.L.)				\$0.00
203	Packer & Retr. B.P.				\$0.00
206	Whipstocking & Sidetracking				\$0.00
206	Compressors				\$0.00
DRILLING FLUIDS					
104	Mud & Chemicals				\$2,200.00
108	Water & Brine				\$3,000.00
108	Other (Gas & Air)				\$1,000.00
MATERIALS & SERVICES OTHER					
101	Bits & Reamers				\$1,000.00
106	Fuel				\$1,500.00
107,205	Hauling				\$2,500.00
201	Tubular Inspection				\$0.00
105,203	Testing (Manifolds, BOP, Tbg Etc)				\$0.00
105,203	Misc. Csg Exp (Run Csg, Sandblasting, Etc.)				\$3,200.00
203	Tank Rentals				\$0.00
203	Equipment Rental				\$6,200.00
203	Misc. Exp.				\$2,000.00
LOCATION, ACCESS, CLEANUP					
030	Road/Site/Construction				\$20,000.00
060,080	Safety/Environmental				\$2,000.00
020	SUPERVISION & LEGAL ETC.				\$2,650.00
TOTAL INTANGIBLES				\$162,400.00	
Plus 5 % Contingency				\$8,120.00	
TOTAL INTANGIBLES WITH 5% CONTINGENCY				\$170,520.00	
TOTAL TANGIBLES				\$140,944.00	
GRAND TOTAL				\$311,464.00	
Partner Name:		W.I. % for Dry Hole		W.I. % for Completion	
Date: July 10, 2006		Partner's Approval		Company Name:	
Prepared by: N. Smith		Date:			
Approved by:					

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Bennett Interests LP
PMB 305
8404 Pickwick Lane
Dallas TX 75225-9006

COMPLETE THIS SECTION ON DELIVERY

- A. Signature *Freeman* ☒ Agent ☐ Addressee
- B. Received by (Printed Name) Freeman C. Date of Delivery 7/25/06
- D. Is delivery address different from item 1? ☐ Yes ☐ No

If YES, enter delivery address below:

3. Service Type

- ☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise