

March 23, 2007

Bureau of Land Management
Farmington Resource Area
1235 La Plata Highway
Farmington, NM 87401

New Mexico Commissioner of Public Lands
PO Box 1148
Santa Fe, NM 87501-1148

New Mexico Oil Conservation Division
Energy Minerals Department
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: **2007 PLAN OF DEVELOPMENT**
SAN JUAN 30-4 UNIT, #14-08-001-1056
RIO ARRIBA COUNTY, NEW MEXICO

Gentlemen:

The following Participating Areas currently exist in the San Juan 30-4 Unit:

Formation	Expansion	Effective Date
Pictured Cliffs	12 th	1/1/74
Mesaverde	1 st	8/1/60
Mesaverde "A"	4 th	9/1/00

By letter dated February 2, 2006, the Plan of Development (POD) for the calendar year 2006 was filed by Energen Resources Corporation as Unit Operator and provided for the following activity:

WELL NAME	FORMATION	DESCRIPTION	TYPE	COMPLETED
San Juan 30-4 Unit 42C	Mesaverde	E/2 19-30N-4W	New Drill	Carry-over to 2007
San Juan 30-4 Unit 28C	Mesaverde	E/2 3-30N-4W	New Drill	Carry-over to 2007
San Juan 30-4 Unit 33C	Mesaverde	W/2 31-30N-4W	New Drill	Carry-over to 2007
San Juan 30-4 Unit 40	Fruitland Coal	E/2 21-30N-4W	Horizontal Sidetrack	Carry-over to 2007

These wells were not drilled in 2006 and will be carried over as 2007 projects.

Additionally, the following activity was not shown on the 2006 Plan of Development and should be added:

WELL NAME	FORMATION	DESCRIPTION	TYPE	COMPLETED
San Juan 30-4 Unit 14	Pictured Cliffs	E/2 21-30N-4W	Plug and Abandoned	8/10/2006

As of this date, the total number of wells in the San Juan 30-4 Unit area are as follows:

Pictured Cliffs	Producing	27
Pictured Cliffs	P&A	2
Mesaverde	Producing	17
		<u>46</u>

2007 MAR 28 AM 7 04

Pursuant to Section 10 of the San Juan 30-4 Unit Agreement, Energen Resources Corporation, as Unit Operator, hereby submits the Plan of Development for 2007 as follows:

Well Name	Formation	Dedication	Type
San Juan 30-4 Unit 105	Fruitland Coal	E/2 Sec 18-T30N-R4W	New Drill - Single
San Juan 30-4 Unit 105S	Fruitland Coal	E/2 Sec 18-T30N-R4W	New Drill - Single
San Juan 30-4 Unit 21-1	Pictured Cliffs	E/2 Sec 21-T30N-R4W	New Drill - Single
San Juan 30-4 Unit 28C	Mesaverde	E/2 3-30N-4W	New Drill - Single
San Juan 30-4 Unit 33C	Mesaverde	W/2 31-30N-4W	New Drill - Single
San Juan 30-4 Unit 40	Fruitland Coal	E/2 21-30N-4W	Horizontal Sidetrack
San Juan 30-4 Unit 42C	Mesaverde	E/2 19-30N-4W	New Drill - Single
San Juan 30-4 Unit 48	Pictured Cliffs	E/2 Sec 17-T30N-R4W	New Drill - Single

The Working Interest Owners are being contacted regarding the 2007 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

DP/mt

SAN JUAN 30-4 UNIT 2007 PLAN OF DEVELOPMENT

APPROVED: _____
Bureau of Land Management

DATE: _____

APPROVED:  _____
Oil Conservation Division

DATE: 4-4-07

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

DATE: _____

SAN JUAN 30-4 UNIT WORKING INTEREST OWNERS

Energen Resources Corporation 2198 Bloomfield Highway Farmington, New Mexico 87401	Navatex Energy, LP Wells Fargo OGM C7300-07P P. O. Box 5383 Denver, CO 80217
Burlington Resources Oil & Gas Company LP P.O. Box 4289 Farmington, New Mexico 87499	Providence Minerals LLC Attn: Karen Herbst 14860 Montfort Drive, Suite 209 Dallas, TX 75240
Dugan Production Corporation P.O. Box 420 Farmington, New Mexico 87499	Rio AribaGas c/o Eddie Dreyer Management Co. as Agent 4925 Greenville Avenue Suite 900 Dallas, TX 75206
J & M Raymond LTD Attn: James M. Raymond P.O. Box 291445 Kerrville, Texas 78029-1445	Ruth Zimmerman Attn: Hazel Hart 842 Muirlands Vista Way La Jolla, California 92037
Charles W. Gay C/O James Raymond P.O. Box 291445 Kerrville, Texas 78029-1445	T. H. McElvain Oil & Gas Attn: Denise Greer 1050 17th Street, Suite 1800 Denver, CO 80265
Lorrayn Gay Hacker C/O James Raymond P.O. Box 291445 Kerrville, Texas 78029-1445	The Tinmil, A New Mexico Ltd. Liability Company c/o Mr. Robert P. Tinnin, Jr. Hinkle, Hensley, Shanor and Martin, LLP 500 Marquette, NW, Suite 800 Albuquerque, NM 87102
Maydell Miller Mast Trust C/O James Raymond P.O. Box 291445 Kerrville, Texas 78029-1445	Thomas P. Tinnin Attn: Mr. Tinnin 2303 Candelaria Road, NW Albuquerque, NM 87107
JABCO, LLP Attn: Debbie Coughlin c/o Nations Bank of Texas, N.A. P.O. Box 2546 Fort Worth, Texas 76113-2546	