ENERGEN RESOURCES

	STIMATED WELL C NUMBER	SJ06-74		PROPERTY NUMBE	R	20674 A	VB			DATE 3	7/11/2006
_	NAME AND NUM			TOMBE			LD OR AREA			DATE 7	
					ļ						
	Ia 126S #1E RATOR						up/Dakota UNTY			STATE	
					I	ļ				1	
	ien Resouces JECT DESCRIPTIO	N AND LOCATIO	ON				Arriba CTION: NW 81	TO	WNSHIP 261 241	New M	lexico RANGE 55% YW
_	Development Well							ROPOSED FORMATIO			POSED DEPTH
						L		Gallup/Dakota			7,800
0 6	SINGLE		a	D EXPL.			_	ORKOVER	☑ CAPITAL		DEEPEN
0	DUAL		GAS	DATE TO STAP	STRAT.		Ø NE		☐ EXPENSE		YES NO
	LAND MARSH	□ BAY □ GULF		DATE TO STAR 10/10/2006	•	 	DA\	YS TO DRILL/COMPL	A-(E		ORIGINAL SUPPLEMENT
 	MARSH TANGIBLES - 94		1	10/10/2008		щ.	DRY HOLE	COMMON COSTS	STRING A	STRING B	TOTAL COSTS
_		TUBULAR GOO	DOS				PAT HOLE	COMMUN CUSIS	STRING A	O I RING B	
-	101 108	Conductor Pipe Surface Casing	9 5/8	InFt. 3 In. 200 Ft.	24.65	\$/FL \$/FL	\$4,930.00				\$0.00 \$4,930.00
ĺ	104	Production		In. Ft.		\$/Ft.					\$0.00
1	104 104	First Inter. Second Inter.	7	n. <u>4,300</u> Ft. In. Ft.		\$/Ft	\$65,833.00		 		\$65,833.00 \$0.00
1	104	Prod. Liner	4 1/2	In. 3,680 Ft.	8.20	\$/FL		\$30,176.00			\$30,176.00
1	105 107	Rods Tubing	2 3/8		3.64	_\$/FL _\$/FL		\$28,392.00			\$0.00 \$28,392.00
	107	Tubing		inFt.		\$/FL					\$0.00
L_		EQUIPMENT									
-	201 102,103	Wellhead Tog & Csg Acc,	liner har. Pr	rod Pkr.		1		\$16,400.00 \$15,400.00			\$16,400,00 \$15,400.00
1	202,203	Production				1					
1	205,206 204	Equipment Other				_		\$26,500.00 \$10,500.00			\$28,500.00 \$10,500.00
					TOTAL TANG	IBLES	\$70,763.00			\$0.00	\$198,131.00
	INTANGIBLES -	950									.,
<u></u>		DRILLING COS	STS						·	 	
	103 103	Turnkey Footage		Pt.		\$/Ft.					\$0.00 \$0.00
	103	Day Work		14 Da	15,000	\$/Da.	\$210,000.00				\$210,000.00 \$31,500.00
	208 208	Comp Rig Service unit		84_Hr	375.00	_+/11(,		\$31,500.00 \$3,300.00			\$3,300.00
1	105 107,205	Rental Tools, S Rig Moving Cos		okes, Etc.			\$3,300.00 \$11,500.00	\$2,200.00			\$5,500.00 \$14,800.00
	107,205 105	Other		out Crew/Welder		_	711,000.00	9J,JUU.00			\$0.00
		CEMENTING /	NCL. FLOA	AT EQUIP. ETC.)							
	102	Surface					\$8,500.00				\$6,500.00 \$26,500.00
	102 201	Intermediates Production					\$26,500.00				\$0.00
	201	Production Line	ers.					\$18,000.00	1		\$18,000.00 \$0.00
1	102 201	Tieback String Squeeze Cemt.	. (incl. Ret. &	& Pkrs.)							\$0.00
1	201	Other				-					\$0.00
		FORMATION T	REATMEN	ıŢ							
1	207 297	Acidizing Fracturing Equi	pment & Ma	tierials				<u> </u>	\$110,000.00	\$85,000.00	
1	204	Frac. Fluid	·	Gas .					\$6,400.00	\$3,300.00	\$9,700.00
	203,205	Tank Rental & i					L	.	\$3,300.00	\$2,000.00	\$5,300.00
	206	SPECIAL SER		s., Wireline Etc.)			<u></u>	T	\$5,000.00	\$6,400.00	\$11,400.0
-	150	Mud Logging D	ata Units	om rd E10-/			\$6,600.00		\$5,000,00	₩,+00.00	\$6,600.0
1	150 160,250	Formation Logg Cores, DST=s,	ging	ng, etc.			\$20,000.00		 		\$20,000.0 \$0.0
	150	Drilling Logs (C	BL, Tracer,	, inspection, W.L.)				ļ			\$0.0
	203 206	Packer & Retr. Whipstocking &		ng				\$5,000.00			\$0.0 \$5,000.0
	208	Compressors									\$0.0
		DRILLING FLL									
	104 108	Mud & Chemic Water & Brine					\$15,400.00 \$8,800.00				\$15,400.0 \$9,900.0
	108 108	Other (Gas & A	Vir)				es,600.0t	\$1,700,0L			\$0.0
1		MATERIALS &	SERVICE	S OTHER							
	101	Bits & Reamen					\$22,000.00 \$4,100.00				\$23,000.0 \$7,200.0
1	106 107,205	Fuel Hauling					\$4,100.00 \$7,100.00				\$11,700.0
1	201 105,203	Tubular inspect Testing (Manife		Tbg Etc)				 	+		\$0.0 \$0.0
1	105,203	Misc. Csg Exp		Sandblasting, Etc.)			\$9,200.00	9			\$9,200.0
	203 203	Tank Rentals Equipment Ren	ntal				\$26,000.00				\$0.0 \$39,500.0
	203	Misc. Exp.					\$3,800.00				\$8,500.0
L	-	LOCATION, A		EANUP				_	-		
	030 060,080	Road /Site/Cor Safety/Environ	nstruction				\$35,000.00 \$2,500.00		+		\$35,000.0 \$2,500.0
		-								<u> </u>	
-	020	SUPERVISION	N & LEGAL	ETC.			\$12,000.00			***	\$16,800.0
1				Pkus_	- TOTAL INTAI		\$ \$430,300.00 \$30,121.00		0 \$8,729,00	\$6,769.00	\$52,206.0
			TO	TAL INTANGIBLES W	VITH 7% CONTIN	NGENCY	\$480,421.00	0 \$100,687.0	0 \$133,429.00	\$103,469,00	\$798,006.0
					TOTAL TAN	IGIBLES D TOTAL					
Γ											
1	Partner Name	к				==		s (\$531,184 + 2) + Com			
	i. % for Dry Hole			W.i. % for Comp	tetion	Lower		s (\$531,184 + 2) + Com	mon Costs (\$228,055	+ z) + String A (\$13)	a,429) = \$513,049
Dat Pre	epared by:	July 11, 2006 N Smith					Partner's Approval Company Name:				
	proved by:						Date:				

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF ENERGEN RESOURCES CORPORATION
FOR COMPULSORY POOLING AND FOR AN
EXCEPTION TO RULE 2 OF THE SPECIAL
POOL RULES FOR THE WEST LINDRITH
GALLUP-DAKOTA OIL POOL FOR DESIGNATION
OF A NON-STANDARD SPACING UNIT,
RIO ARRIBA COUNTY, NEW MEXICO

CASE NO. 13890

AFFIDAVIT

STATE OF NEW MEXICO)) ss. COUNTY OF SANTA FE)

J. SCOTT HALL, attorney and authorized representative for ENERGEN RESOURCES CORPORATION, the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice, as shown by Exhibit "A" attached hereto, and that pursuant to Rule 1207, notice has been given at the correct addresses provided by such rule.

J. SCOTT HALL

SUBSCRIBED AND SWORN to before me this 14th day of March, 2007.

OFFICIAL SEAL

Mission Expires: Mach 23, 2009

Notary Public

NMOCD CASE NO. 13890 MARCH 15, 2007 ENERGEN RESOURCES COMPANY EXHIBIT NO. 6



LAW OFFICES

Ranne B. Miller Alice T. Lorenz Stephen M. Williams Stephan M. Vidmar Seth V. Bingham Timothy R. Briggs Rudolph Lucero Deborah A. Solove Gary L. Gordon Lawrence R White Virginia Anderman Marte D. Lightstone J. Scott Hall* Thomas R. Mack Thomas M. Domme

Ruth O. Pregenzer James J. Widland Bradlev D. Tepper** Robin A. Goble James R. Wood Dana M. Kyle Kirk R. Allen Ruth Fuess H Brook Laskey Paula G. Maynes M Dylan O'Reilly Jennifer D. Hall Todd A. Schwarz Nel! Graham Sale Scott P. Hatcher

Ann M. Conway Randall J. McDonald Robert H. Clark Richard L. Alvidrez Jennifer L. Stone Kelsey D. Green Marcy Baysinger Caroline Blankenship Matthew S. Rappaport Karen E. Wootton Nicole V. Strauser Joseph L. Romero Kelly A. Stone Deron B. Knoner Charlotte Lamont

Patricia A. Bradley T. Aaron Garrett Amy P. Hauser Rebecca M. Alves Alisa R. Wigley-DeLara W. Scott Jaworski Anita M. Kelley Elizabeth B. Driggers Jerome A. O'Connell

Of Counsel William K. Stratvert James B. Collins Sharon P. Gross Robert D. Taichert

Reply to Santa Fe

150 Washington Ave., Suite 300 Santa Fe, NM 87501

Mailing Address: P.O. Box 1986 Santa Fe, NM 87504-1986

Telephone: (505) 989-9614 Facsimile: (505) 989-9857

Writer's Direct E-Mail: shall@mstlaw.com

Board Certified Specialist: Natural Resources - Oil & Gas Law ** Board Certified Specialist: Real Estate Law

February 16, 2007

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

National Energy Group, Inc. 4925 Greenville Ave. **Suite 1400** Dallas, Texas 75206-4026

Re:

NMOCD Case No. ; In the Matter of the Application of Energen

Resources Corporation for Compulsory Pooling and for an Exception to Rule 2 of the Special Pool Rules for the West Lindrith Gallup-Dakota Oil Pool for Designation of

a Non-Standard Spacing Unit, Rio Arriba County, New Mexico

Dear Sirs:

This will advise that Energen Resources Corporation has filed an Application with the New Mexico Oil Conservation Division seeking an order pooling all interests in the Gallup/Dakota formation (West Lindrith Gallup-Dakota Oil Pool) underlying the Lots 3, 4 and the NW/4 of irregular Section 1, Township 24 North, Range 4 West, NMPM, Rio Arriba County, New Mexico. Applicant also seeks an exception to Rule 2 of the Special Pool Rules for the West Lindrith Gallup-Dakota Oil Pool to designate said lands as a 216.76± acre non-standard spacing and proration unit to be dedicated to its proposed Jicarilla 126 S No. 1-E Well to be drilled at a standard location 2535' from the North line and 1735' from the West line of Section 1. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, designation of applicant as operator and a charge for risk involved in drilling the well. A copy of the application is enclosed.

This application will be set for hearing before a Division Examiner on March 15, 2007, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of National Energy Group, Inc. February 21, 2007 Page 2

record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 1211.

Very truly yours,

MILLER STRATVERT P.A.

1. I win tall

J. Scott Hall

JSH/glb Enclosure

POSTAGE POSTMARK OR DATE \$0.63 RETURN RESTRICTED DELIVERY FEE \$0.00 RECEIPT CERTIFIED FEE \$2.40 SERVICE RETURN RECEIPT FEE \$1.85 SENT TO: TOTAL POSTAGE AND FEE'S \$4.88 National Energy Group, Inc. 4925 Greenville Ave. **Suite 1400** Dallas, Texas 75206-4026 2/21/2007 2:37 PM

PS FORM 3800



RECEIPT FOR CERTIFIED MAIL NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL. (SEE OTHER SIDE)

National Energy Group, Inc. 4925 Greenville Ave. Suite 1400 Dallas, Texas 75206-4026 X GROWN DUW C. Address B. Received by (Printed Name) C. Daly of Delivery address different from item 1? Tyes if YES enter delivery address below: No X GROWN DUW C. Address D. Is delivery address different from item 1? Tyes if YES enter delivery address below: No X GROWN DUW C. Address D. Is delivery address different from item 1? Tyes if YES enter delivery address below: No X GROWN DUW C. Address D. Is delivery address different from item 1? Tyes if YES enter delivery address below: No YeS 4. Restricted Delivery? (Extra Fee) Yes	2. Article Number	COMPLETE THIS SECTION ON DELIVERY A. Signature
1. Article Addressed to: D. Is delivery address different from item 1? Yes If YES enter delivery address below: No National Energy Group, Inc. 4925 Greenville Ave. Suite 1400 Dallas, Texas 75206-4026 4. Restricted Delivery? (Extra Fee) Yes) / / / / / / / / / / / / / / / / / / /
4925 Greenville Ave. Suite 1400 Dallas, Texas 75206-4026 3. Service Type 4. Restricted Delivery? (Extra Fee) Yes		D. Is delivery address different from item 1? Yes If YES enter delivery address below:
4. Restricted Delivery? (Extra Fee) Yes	4925 Greenville Ave. Suite 1400	3. Service Type Certified
2/2/1/2007 2.37 FW	2/21/2007 2:37 PM	4. Restricted Delivery? (Extra Fee) Yes

PS Form 3811

Domestic Return Receipt



Ranne B. Miller Alice T. Lorenz Stephen M. Williams Stephan M. Vidmar Seth V. Bingham Timothy R. Briggs Rudolph Lucero Deborah A. Solove Gary L. Gordon Lawrence R. White Virginia Anderman Marte D. Lightstone J. Scott Hall* Thomas R. Mack Thomas M. Domme

Ruth O. Pregenzer James J. Widland Bradley D. Tepper** Robin A. Goble James R. Wood Dana M. Kyle Kirk R. Allen Ruth Fuess H. Brook Laskey Paula G. Maynes M. Dylan O'Reilly Jennifer D. Hall Todd A. Schwarz Nell Graham Sale Scott P. Hatcher

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Patricia A. Bradley T. Aaron Garrett Amy P. Hauser Rebecca M. Alves Alisa R. Wigley-DeLara W. Scott Jaworski Anita M. Kelley Elizabeth B. Driggers Jerome A. O'Connell

Of Counsel William K. Stratvert James B. Collins Sharon P. Gross Robert D. Taichert

Reply to Santa Fe

150 Washington Ave., Suite 300 Santa Fe, NM 87501

Mailing Address: P.O. Box 1986 Santa Fe, NM 87504-1986

Telephone: (505) 989-9614 Facsimile: (505) 989-9857

Writer's Direct E-Mail: shall@mstlaw.com

February 21, 2007

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Enervest Operating, LLC 164 Old Route 33 Weston, WV 26452-7722

> ; In the Matter of the Application of Energen Re: NMOCD Case No. Resources Corporation for Compulsory Pooling and for an Exception to Rule 2 of the Special Pool Rules for the West Lindrith Gallup-Dakota Oil Pool for Designation of

a Non-Standard Spacing Unit, Rio Arriba County, New Mexico

Dear Sirs:

This will advise that Energen Resources Corporation has filed an Application with the New Mexico Oil Conservation Division seeking an order pooling all interests in the Gallup/Dakota formation (West Lindrith Gallup-Dakota Oil Pool) underlying the Lots 3, 4 and the NW/4 of irregular Section 1, Township 24 North, Range 4 West, NMPM, Rio Arriba County, New Mexico. Applicant also seeks an exception to Rule 2 of the Special Pool Rules for the West Lindrith Gallup-Dakota Oil Pool to designate said lands as a 216.76± acre non-standard spacing and proration unit to be dedicated to its proposed Jicarilla 126 S No. 1-E Well to be drilled at a standard location 2535' from the North line and 1735' from the West line of Section 1. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, designation of applicant as operator and a charge for risk involved in drilling the well. A copy of the application is enclosed.

This application will be set for hearing before a Division Examiner on March 15, 2007, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the

A PROFESSIONAL ASSOCIATION

Board Certified Specialist: Natural Resources - Oil & Gas Law ** Board Certified Specialist: Real Estate Law

Enervest Operating, LLC February 21, 2007 Page 2

hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 1211.

Very truly yours,

MILLER STRATVERT P.A.

1. Swardall

J. Scott Hall

JSH/glb Enclosure

	POSTAGE	\$0.63	POSTMARK OR DATE
RETURN	RESTRICTED DELIVERY FEE	\$0.00	
RECEIPT >	CERTIFIED FEE	\$2.40	
SERVICE	RETURN RECEIPT FEE	\$1.85	
SENT TO:	TOTAL POSTAGE AND FEE'S	\$4.88	
	Enervest Operating, LLC 164 Old Route 33 Weston, WV 26452-7722	A THE NIME	AN CHILLY SEE
	2/21/2007 2:36 PM	14	. He she she she she she she she she she sh

PS FORM 3800



RECEIPT FOR CERTIFIED MAIL NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL (SEE OTHER SIDE)

2. Article Number	COMPLETE THIS SECTION ON DELIVERY
est v	A. Signature X Agent Addressee
7161 8863 9710 0000 6605	B. Received by Printed Name) C. Date of Delivery 3-26-07
1. Article Addressed to:	D. Is delivery address different from item 1?
Enervest Operating, LLC 164 Old Route 33 Weston, WV 26452-7722	3. Service Type Certified
2/21/2007 2:36 PM	4. Restricted Delivery? (Extra Fee) Yes
7	
PS Form 3811	Domestic Return Receipt

NOTICE TO: EDWARDS AND LEACH OIL COMPANY, OR ITS SUCCESSORS AND

ASSIGNS. Energen Resources Corporation has filed an application with the New Mexico Oil Conservation Division as follows: In the Matter of the Application of Energen Resources Corporation for Compulsory Pooling and for an Exception to Rule 2 of the Special Pool Rules for the West Lindrith Gallup-Dakota Oil Pool for Designation of a Non-Standard Spacing Unit, Rio Arriba County New Mexico, Applicant seeks an order pooling all interests in the Gallup/Dakota formation (West Lindrith Gallup-Dakota Oil Pool) underlying the Lots 3, 4 and the NW/4 of irregular Section 1,
Township 24 North Range 4
West, NMPM, Rio Arriba
County, New Mexico, Appli-County, New Mexico. Applicant also seeks to designate said lands as a 216.76± acre non-standard spacing and proration unit dedicated to its licarilla 126 S No. 1-E Well to be drilled at a standard location 2535 from the North line ne time at 1735 from the West line of Section 1. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, designation of applicant as operator and a charge for risk involved in drilling the well. The subject lands are located approximately 9.6 miles west of Lindrith, New Mexico. West of Lindmin, New Mexico.
The application is scheduled to be heard at 8:15 a.m. on Thursday March 15, 2007 at the Division's offices located at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As the owner of an interest that may be affected. you have the right to appear and present testimony. Failure to appear and become a party of record will preclude you from challenging this application at a later time. For further information, contact the applicant's attorney, J. Scott Hall, Miller Stratvert,

times at

Affidavit 5

Subtotal

Payment received at Rio Grande SUN

G. Delvo

P.A., 150 Washington Ave., Suite 300, Santa Fe, New Mexico 87501, (505) 989-

(Published March 1, 2007)

NMOCD CASE NO. 13890 MARCH 15, 2007 ENERGEN RESOURCES COMPANY EXHIBIT NO. 7

Affidavit of Publication

State of New Mexico County of Rio Arriba

I, Robert Trapp, being first duly sworn, declare and say I am the publisher of the Rio Grande SUN, a weekly newspaper published in the English language and having a general circulation in the County of Rio Arriba, State of New Mexico, and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 of the Session Laws of 1937. The publication, a copy of which is hereto attached, was published in said paper once each week for

consecutive weeks and on the same day of each week in the regular issue of the paper during the time of publication and the notice was published in the newspaper proper, and not in any supplement. The first publication being on the

1st day of March, 2007

and the last publication on the _____day of

arch. 2007 payment for said advertisement has been duly made, or assessed as court costs. The undersigned has personal knowledge of the matters and things set forth in this affidavit.

Subscribed and sworn to before me this

day of man_A.D. 200

Maria V. Lopez-Garcia/Notary Public My commission expires 13 July 2009 DISTRICT I 1625 N. French Dr., Hobbs, N.M. 66240

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised August 15, 2000

DISTRICT II 811 South First, Artesia, N.M. 88210

DISTRICT IV

DISTRICT III 1000 Rio Brazos Rd., Aztec, N.M. 87410

2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

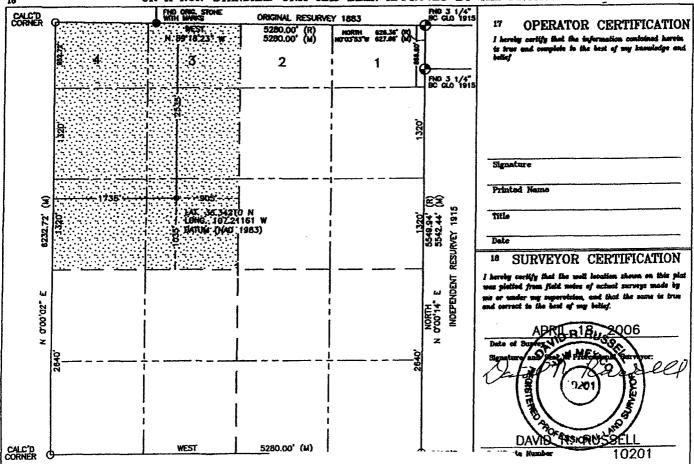
³ API Number	*Pool Code	"Pool Nea GALLUP—D	
Property Code	*Pro	perty Name	• Well Number
	JICA	RILLA 126	1E
TOGRED No.	• Ope	erator Name	* Elevation
	ENERGEN RESO	URCES CORPORATION	6974'
	10 Cure	ace Location	

UL or lot no. Section 1 24N 4W Lot Idn Feet from the North/South line Peet from the Rast/West line County RIO ARRIBA

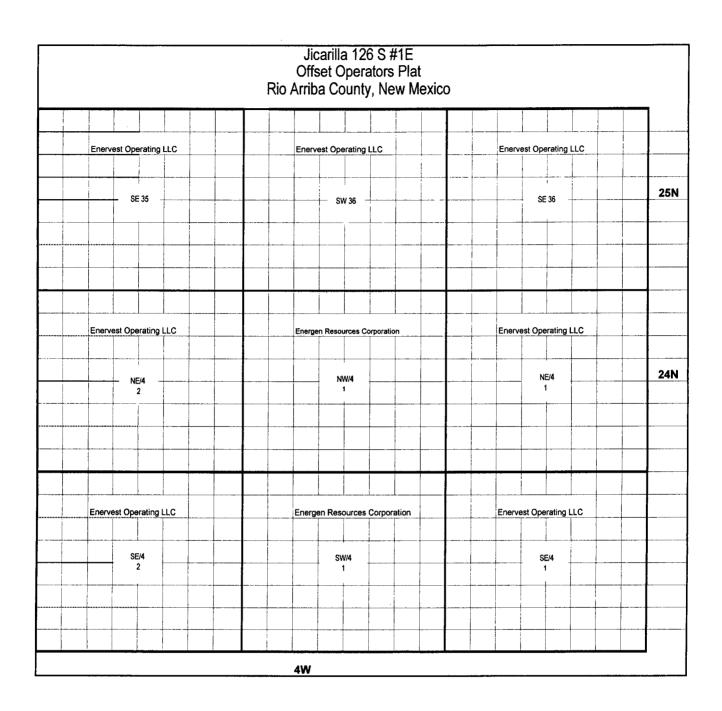
11 Rottom Hole Location If Different From Surface

DOCCOIL HO						I Different Lie			
UL or lot no.	Section	Township	Range	Lot kin	Fost from the	North/South line	Foot from the	Kest/West line	County
					·				<u> </u>
Dedicated Acre	•		" Joint or 1	infili	¹⁴ Consolidation (iode	MOrder No.		
216.76 Ad	res – (NW/4)							

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



NMOCD CASE NO. 13890 MARCH 15, 2007 ENERGEN RESOURCES COMPANY EXHIBIT NO. 1



Ownership of the Jicarilla 126 S # 1E Gallup-Dakota Dual Formation Well Section 1-T24N-R4W Rio Arriba County, New Mexico

Name Address	Leases or Minerals	Joined in Well	Ownership Percentage
Energen Resources Corporation 2198 Bloomfield Hwy. Farmington, NM 87401	Lease	Yes	50.00%
El Pamco, Inc. 6021 Royal Oak St. NE P.O. Box 14738 Albuquerque, NM 87191	Lease	Non-Consent	25.00%
National Energy Group Inc. 4925 Greenville Ave. Suite 1400 Dallas, TX 75206-4026	Lease	No	25.00%

All parties were offered the right to participate under a proposed Operating Agreement that contained a 300% non-consent clause and monthly overhead rates of \$5,000.00-Drilling and \$570.00-Producing.



August 28, 2006

National Energy Group, Inc. 4925 Greenville Ave., Suite 1400 Dallas, TX 75206-4026

Attention:

Mr. David Rigsby Vice President-Land

RE:

Request for Joinder
Jicarilla 126 # 1E
Township 24 North, Range 4 West
Lots 3 4 S/2NW/4 (NW/4) Section

Lots 3, 4, S/2NW/4 (NW/4) Section 1 Rio Arriba County, New Mexico

Gentlemen:

Energen Resources Corporation (Energen) plans to drill, complete and equip the referenced well at a legal location in the NW/4 Section 1-T24N-R4W. This well is scheduled to be drilled to a depth sufficient to test the Gallup/Dakota formation. This well is being drilled adjacent to the West Lindrith Gallup/Dakota pool which requires 160 acre spacing. This well is being proposed as a result of a Diligent Demand from the Bureau of Land Management. (Copy of letter enclosed). A copy of a model form Operating Agreement is enclosed for your review and approval.

Enclosed is our AFE for \$996,137.00 to drill and complete this well. We invite you to participate in drilling said well and request you execute and return one copy of the enclosed AFE as well as an executed signature page for the proposed Operating Agreement.

Additionally, our title opinion shows your interest to be in the name of Edwards & Leach Oil Company. In order that we may complete our files please furnish us with copies of all merger documents showing the transfers form Edwards & Leach into National Energy.

If you should have any questions concerning this matter please contact me at the number listed.

Sincerely,

David M. Poage District Landman

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 malipiece, or on the front if space permits. A. Signate X. J.	Agent Addressee Veddby (Printed Name) SYMMYOU G. Date of Delivery 9-5-0-5
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. D. Is delivered. It is delivered.	Agent Addressee Veddby (Printed Name) SYMMYOU G. Date of Delivery 9-5-0-5
or on the front if space permits. D. is deliving the space of the spa	J VIVIN/ COOL
. Article Addressed to:	
El Hamon Loc.	very address' different from Item 1? U Yes , enter delivery address below: U No
6012 Royal Oak St. NE	
P.D. Box 14738	
Reg	er Type rtified Mail
Htn: David Rigsby 4. Restric	cted Delivery? (Extra Fee)
SENDER: COMPLETE THIS SECTION COM	MPLETE THIS SECTION ON DELIVERY
item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we are returned to the returned to th	Agent Agent Address Address
National Energy Group Inc. 4925 Greenville Ave. Suite 1400	delivery address different from item 1?
Vallas TX 75206-4026	erylce Type
	Certified Mail Registered Insured Mail C.O.D.
2. Article Number	estricted Delivery? (Extra Fee)
	0002 8596 8764
PS Form 3811, February 2004 Domestic Return Rece	