

TAURUS

TAURUS EXPLORATION, INC.
2101 Sixth Avenue North
Birmingham, Alabama 35203-2784
Telephone (205) 326-2710

February 13, 1998

TO: All Working Interest Owners:

RE: Opportunity to net joint interest billings against revenue checks.

In an effort to more effectively manage our accounts receivable, we would like to offer each working interest owner the opportunity to have their joint interest billing deducted from their monthly revenue check.

Each month joint interest billings will be generated and mailed as usual, but if you elect to be netted, you simply will not pay the invoice. The invoice will be "paid" from your revenue check. Your revenue check detail will show the amount of your joint interest billing as a line item deduction. If your revenue check amount is not large enough to cover your joint interest billing, a zero check will be printed and mailed detailing the amount of revenue that was offset.

In addition to helping us, netting could benefit you also, as you would no longer have to write and mail checks for small billing amounts. If you would like to take advantage of this opportunity, please contact me at 205-326-2714. If I do not hear from you, there will be no change made to our existing process.

Sincerely,

R. Kirk Flowers

R. Kirk Flowers,
Manager-Joint interest Accounting

NMOCD CASE #13957
ENERGEN RESOURCES
EXHIBIT

7