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Via fax and U.S. Mail

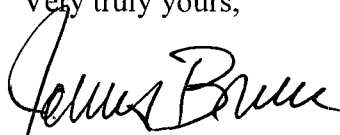
Mark E. Fesmire, P.E.  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Case No. 13957 *de novo* (Energen Resources Corporation)

Dear Mr. Fesmire:

Enclosed are six copies Exhibit A to Sommer's proposed findings and conclusions, setting forth de-escalated overhead rates.

Very truly yours,

  
James Bruce

Attorney for the Estate of Joseph A. Sommer,  
Joseph A. Sommer Revocable Trust, and JAS  
Oil and Gas Co., LLC

cc: J. Scott Hall (w/encl.)

**Energen Overhead Charges with COPAS Escalation Percentages**

<u>Year</u>	<u>% Escalation</u>	<u>Monthly Rate</u>	<u>Annual Charge</u>	
1996	n/a	\$343.83	n/a	
1997*	2.0%	\$350.71	\$4,208.49	
1998	10.3%	\$386.83	\$4,641.97	
1999	5.8%	\$409.27	\$4,911.20	
2000	-0.5%	\$407.22	\$4,886.64	
2001	6.0%	\$431.65	\$5,179.84	
2002	-1.9%	\$423.45	\$5,081.43	
2003	-3.1%	\$410.33	\$4,923.90	
2004	2.3%	\$419.76	\$5,037.15	
2005	3.5%	\$434.45	\$5,213.45	
2006	5.1%	\$456.61	\$5,479.34	
2007	6.4%	\$485.83	\$5,830.02	
2008**	6.4%	\$516.93	\$6,203.14	
2009**	6.4%	\$550.00	\$3,300.00	(Thru June

\*1997 is the year Energen took over the Well. The OCD did not specify how far back to go when calculating historic overhead charges, but 1997 would seem to be the correct year to begin, without being able to specify the month in 1997.

\*\* Exhibit 21 (COPAS Escalation Percentages) is not current for 2008 and 2009. Thus, the percentage increase for 2007 was assumed for 2008 and 2009. The chart can be updated when the 2008 and 2009 increases are confirmed.