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March 11, 2010

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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: **2010 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:

<u>Formation</u>	<u>Expansion</u>	<u>Effective Date</u>
Pictured Cliffs	12 th	1/1/1974
Mesaverde	1 st	8/1/1960
Mesaverde "A"	4 th	9/1/2000
Fruitland Coal	1 st	9/4/2003

By letter dated February 27, 2009, the Plan of Development (POD) for the calendar year 2009 was filed by Energen Resources Corporation as Unit Operator and provided for the following activity:

Well Name	Formation	Dedication	Type	Status
San Juan 30-4 Unit 58	Pictured Cliffs	Sec 9&10-T30N-R4W	New Drill – Horizontal	Carry over to 2010
San Juan 30-4 Unit 105 Formerly San Juan 30-4 Unit 105S	Fruitland Coal	E/2 Sec 18-T30N-R4W	New Drill – Horizontal	Spud 9/12/2008 Completed 6/25/2009 First Delivered 7/30/2009
San Juan 30-4 Unit Com 63	Pictured Cliffs	Surf. SE Sec 16-T30N-R4W BHL: S/2 Sec 15-T30N-R4W	New Drill – Horizontal	Carry over to 2010

Additionally, the following activity was not shown on the 2009 Plan of Development and should be added:

Well Name	Formation	Description	Type
San Juan 30-4 Unit 11	Pictured Cliffs	Sec. 8, T30N-4W	Plugged & Abandoned, October 28, 2009

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

Pictured Cliffs	Producing	26
Pictured Cliffs	P&A	6
Pictured Cliffs	Shut-in	2
Mesaverde	Producing	17
Mesaverde	Shut-in	1
Fruitland Coal	Producing	4
		<u>56</u>

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 2010 as follows:

Well Name	Formation	Dedication	Type
San Juan 30-4 Unit 58	Pictured Cliffs	Sec 9&10-T30N-R4W	New Drill – Horizontal
San Juan 30-4 Unit 64	Pictured Cliffs	Sec 21 & 22, T30N, R4W Spacing Unit: SE/4 of Sec 21 & SW/4 of Sec 22 Surf: Sec 21, SESW BHL: Sec 22, SESW	New Drill – Horizontal
San Juan 30-4 Unit Com 63	Pictured Cliffs	Surf. SE Sec 16-T30N-R4W BHL: S/2 Sec 15-T30N-R4W	New Drill – Horizontal

The Working Interest Owners are being contacted regarding the 2010 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 505-324-4133 if there are any questions regarding this letter.

Very truly yours,



David Poage
District Landman

DP/mt

SAN JUAN 30-4 UNIT 2010 PLAN OF DEVELOPMENT

APPROVED: _____
Bureau of Land Management

DATE: _____

APPROVED:  _____
Oil Conservation Division

DATE: 3/29/10

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

DATE: _____

SAN JUAN 30-4 UNIT WORKING INTEREST OWNERS

Energen Resources Corporation 2010 Afton Place Farmington, New Mexico 87401	Navatex Energy, LP c/o Zia Data Search Corporation P.O. Drawer 2188 Roswell, NM 88202
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 ArribaGas 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 M. Raymond P.O. Box 291445 Kerrville, Texas 78029-1445	T. H. McElvain Oil & Gas Attn: Nancy Rife 1050 17th Street, Suite 1800 Denver, CO 80265
Lorrayn Gay Hacker C/O James M. Raymond P.O. Box 291445 Kerrville, Texas 78029-1445	The Tinnil, A New Mexico Ltd. Liability Company c/o Mr. Robert P. Tinnin, Jr. 500 Marquette, NW, Suite 800 Albuquerque, NM 87102
TAMACAM LLC C/O James M. 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	MAR Oil & Gas Corporation P. O. Box 5155 Santa Fe, NM 87502