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February 4, 2011

2011 FEB 10 P 12: 28

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: **2011 PLAN OF DEVELOPMENT**
CARRACAS CANYON UNIT, #14-08-001-19596
RIO ARRIBA COUNTY, NEW MEXICO

Gentlemen:

By letter dated March 11, 2010, the Plan of Development (POD) for the calendar year 2010 was filed by Energen Resources Corporation as Unit Operator and provided for the following activity:

WELL NAME	FORMATION	TYPE	DEDICATION	STATUS
Carracas Unit 119	Fruitland Coal	New Drill - Horizontal	N/2, 14-32N-5W	Carry Over to 2011
Carracas Unit 121	Fruitland Coal	New Drill - Horizontal	S/2, 22-32N-4W	Carry Over to 2011
Carracas 23B 508	Lewis Shale	New Drill - Horizontal	S/2, 23-32N-4W	Carry Over to 2011

The following Participating Areas currently exist in the unit:

Formation	Expansion
Fruitland PA	1 st
Fruitland PA B	1 st
Fruitland PA C, D, E	2 nd
Pictured Cliffs PA	Initial
Pictured Cliffs PA B	5 th

As of this date, the total number of wells in the Carracas Canyon Unit are as follows:

Fruitland Coal, Producing	24
Fruitland Coal, Shut In	3
Fruitland Coal, P&A	33
Pictured Cliffs, Producing	6
Pictured Cliffs, Shut In	2
Dakota, P&A	1
Total Wells:	39

Pursuant to Section 10 of the Carracas Canyon Unit Agreement, Energen Resources Corporation, as Operator, hereby submits the Plan of Development providing for the drilling of the following wells during the calendar year 2011:

WELL NAME	FORMATION	TYPE	DEDICATION
Carracas Unit 119	Fruitland Coal	New Drill - Horizontal	N/2, 14-32N-5W
Carracas Unit 121	Fruitland Coal	New Drill - Horizontal	S/2, 22-32N-4W
Carracas 23B 508	Lewis Shale	New Drill - Horizontal	S/2, 23-32N-4W

Energen owns 100% gross working interest in these proposed wells.

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.

Sincerely,



David Poage
District Landman

Attachments

DP/mt

File: Carracas Canyon Unit (2011 POD)

CARRACAS CANYON UNIT 2011 PLAN OF DEVELOPMENT

APPROVED: _____
Bureau of Land Management

DATE: _____

APPROVED:  _____
Oil Conservation Division

DATE: 2/10/2011

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

DATE: _____