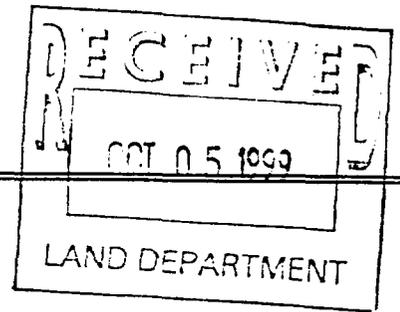


McElvain Oil & Gas Properties, Inc.

1050 17th Street Suite 710

Denver, Co. 80265

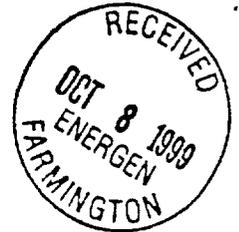
(303) 893-0933



September 28, 1999

CERTIFIED MAIL - RETURN RECEIPT REQUIRED

Energen Resources Corporation
605 21st Street North
Birmingham. Alabama 35203-2707



RE: Application for Administrative Approval
Unorthodox Well Location
Cougar Com 33 No. 1
Basin Dakota
SE / 4, Section 33, T 26N, R2W
Rio Arriba Co., New Mexico

Gentlemen:

McElvain Oil & Gas Properties Inc. has made application to the New Mexico Oil Conservation Division for administrative approval of the above referenced unorthodox well location. In accordance with Rule 104.F(4) and 1207.A(5). We are advising you of this application as the lessee / operator of an offsetting spacing unit. A copy of the application is attached for your review. If you have no objection of the application, please sign the attached waiver letter and return to the NMOCD. If you do not sign the waiver or enter an objection within twenty (20) days, the Division Director may approve this application.

Please contact the undersigned at (505) 325- 5220 if you have questions.

Sincerely,

A handwritten signature in cursive script that reads "R.E. Fielder".

R.E. Fielder

Agent for

McElvain Oil & Gas Properties

NMOCD CASE NO. 12284

DECEMBER 2, 1999

ENERGEN EX. NO. 2