

July 31, 2001

Via Certified Mail

Ms. Cynthia Marinella
Williams Production Company
One Williams Center - PO Box 3102
Tulsa, OK 74101

RE: Administrative Approval of Unorthodox Location
Non-Standard Proration Unit
San Juan 32-5 Unit #111 -- Fruitland Coal well
Section 31, T32N-R5W
Rio Arriba County, New Mexico

Dear Ms. Marinella:

Energen Resources Corporation has filed with the New Mexico Oil Conservation division (NMOCD), an Application for the Administrative Approval of an Unorthodox Location and Non-Standard Spacing Unit, for its San Juan 32-5 Unit #111 well. A copy of the application has been attached for your review.

If you have no objection to this unorthodox location and nonstandard proration unit, please sign three copies of the attached waiver, return one executed copy to the NMOCD at 2040 South Pacheco, Santa Fe, New Mexico 87505, one copy to our office, and retain one copy for your files. If you have objections to this proposal, you should notify the NMOCD within 20 days of the date of this letter.

Your assistance and cooperation in this matter is appreciated.

Sincerely,



Richard Corcoran
District Landman

Attachment

RC/ga

WAIVER

_____ hereby waives objection to the above referenced Application for Unorthodox Location and Non-Standard Spacing Unit for Energen Resources Corporation's San Juan 32-5 Unit #111 Fruitland Coal well.

Date: _____ By: _____