

July 31, 2001

Via Certified Mail

William G. Webb 8226 Douglas Ave., Suite 709 Dallas, TX 75885-5929

RE:

Administrative Approval of Unorthodox Location

Non-Standard Proration Unit

San Juan 32-5 Unit #112 - Fruitland Coal well

Section 19, T32N-R5W

Rio Arriba County, New Mexico

Dear Mr. Webb

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 #112 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, achard Corcoran

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 #112 Fruitland Coal well.

Data: 0.5.11

By: Lallan

cc: OCD - Aztec Office, BLM - Farmington Office, Offset Operators

Victoria Webb

6023 LA Vish Ballas, TX 75206 **ВЕСОКАТІУЕ ГІПІЯНЕ8 АПЭ АКТИЛОРК**

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ENERO40 675052004 1101 11 09/2/01 NOTIFY SENDER OF NEW ADDRESS :ENBRGY MINERALS & NATURAL RESOURCES 1220 5 540NT FRANCIS DR 57505-4000