Vastar Resources, Inc.



Joint Ventures and Land

15375 Memorial Drive Houston Texas 77079 281 584-6000

June 19, 2000

Lori Wrontenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Application of Vastar Resources, Inc. for Administrative Approval of an Unorthodox Well Location for its Carracas 25 A Well No. 16, to be located 585 feet from the South line and 710 feet from the East line of Section 25, Township 32 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico

Dear Ms. Wrotenbery:

Vastar Resources, Inc. hereby seeks administrative approval pursuant to the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool adopted on October 17, 1988, of an unorthodox well location for its 25 A Well No. 16, to be drilled in the Fruitland Coal formation at an unorthodox well location 585 feet from the South line and 710 feet from the East line of Section 25, Township 32 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico. A standard 320-acre spacing unit comprising the E2 Section 25 will be dedicated to the well.

The well will be drilled to a depth of approximately 3800 feet to test the Fruitland Coal formation, Basin-Fruitland Coal Gas Pool.

This location in the Fruitland Coal formation is unorthodox because Rule 7 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool (Order No. R8768, as amended) provides for wells to be located in the NE/4 or SW/4 of a single governmental section and located no closer than 660 feet to any outer boundary of the proration unit nor closer than 10 feet to any interior quarter-quarter section line or subdivision inner boundary.

This unorthodox location is required by topographic conditions and Carson National Forest requirements. The proposed well is located at the end of an existing road and would be drilled on an existing pad that was previously built, but not drilled upon. The Forest Service has requested that new wells be placed along existing roads so as not to further impact the environment with new access roads.

Lori Wrontenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
Carracas 2 A #11 Well
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Attached hereto as Exhibit A is a topographical map showing no standard location is available for the well on this spacing unit. Attached as Exhibit B and C are the C-102 Plat and the APD. These exhibits show that the unorthodox location is supported by the surface topography of the area.

Attached hereto as Exhibit D is a plat as required by Rule 104.F(3) showing the subject spacing unit, the proposed unorthodox well location, the offsetting wells and the diagonal and adjoining spacing units. Exhibit F lists parties affected by this application. A copy of this application, including a copy of the plat described above has been sent to these affected parties by certified mail-return receipt requested in accordance with Rule 1206(A)(5) advising them that if they have an objection to this application it must be filed in writing within twenty days from the date this notice was sent.

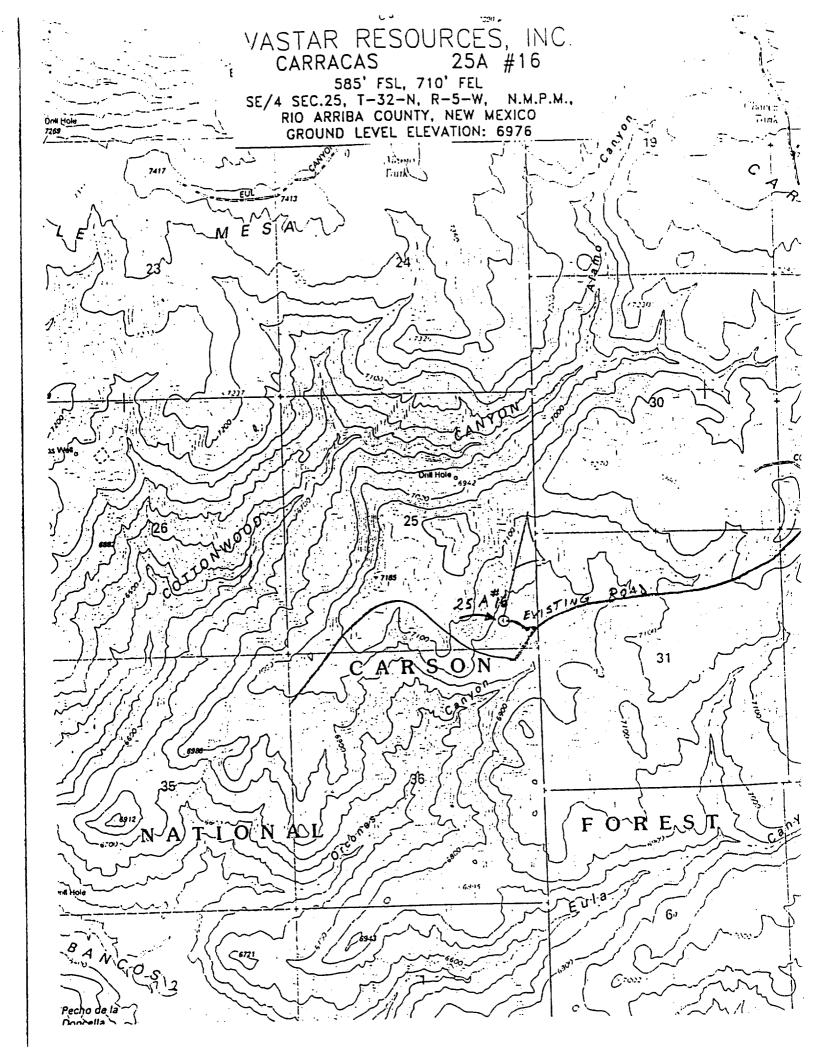
Copies of this request have also been provided to the Aztec Office and the Bureau of Land Management, Farmington District Office.

Very truly yours,

Michael Rodgers, CPL

Direct Line: (281) 584-3230 Fax: (281) 584-6370 E-mail: mrodger@vastar.com

Enclosures



Dutrict 1 . PO B. x 1980, Hobbs, NM \$8241-1980 District II PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rio Bruzzo Rd., Aztec, NM 87410 District IV

SIZIE OF NEW MEXICO Energy, Maerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Form C-102 Revised February 21, 1994 instructions on back Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

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