



Vastar Resources, Inc.

15375 Memorial Drive
Houston Texas 77079
281 584-6000

Joint Ventures and Land

June 19, 2000

30-039-26477

Lori Wrontenberg, 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 36 A Well No. 5, to be located 1,450 feet from the North line and 910 feet from the West line of Section 36, 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 36 A Well No. 5, to be drilled in the Fruitland Coal formation at an unorthodox well location 1,450 feet from the North line and 910 feet from the West line of Section 36, Township 32 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico. A standard 320-acre spacing unit comprising the W2 Section 25 will be dedicated to the well.

The well will be drilled to a depth of approximately 3,740 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 Wrontenberg, Director
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New Mexico Department of Energy,
Minerals and Natural Resources
Carracas 36 A #5 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 E lists the 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,

A handwritten signature in black ink, appearing to read "Michael Rodgers", with a long, sweeping horizontal line extending to the right.

Michael Rodgers, CPL

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

Enclosures

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

Operator Vastar Resources, Inc.		Lease Carracas 36 A		Well No. 5
Unit Letter E	Section 36	Township 32 North	Range 5 West	County Rio Arriba
Actual Footage Location of Well: 1450 feet from the North line and 910 feet from the West line				
Ground Level Elev. 6902'	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage (W/2) 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

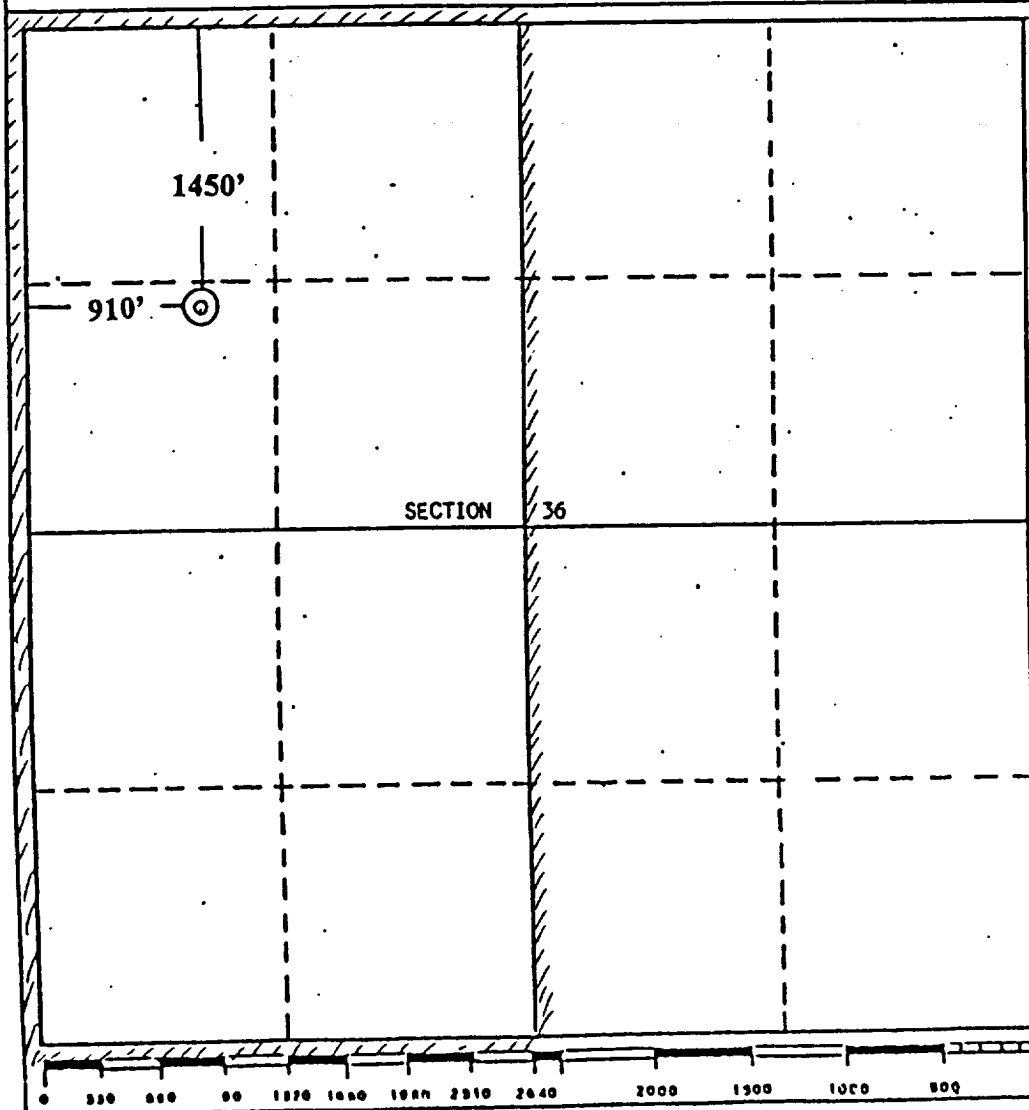
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Charles W. Knight, Jr.
Name **Charles W. Knight, Jr.**

Position **Engineer**

Company **Vastar Resources, Inc.**

Date **June 12, 2000**

EDGAR L. RISENHOOVER
NEW MEXICO
5979
I hereby certify that the well location shown on this plat was located from field notes of actual surveys made by me or under my supervision, and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed **September 1, 1988**

Registered Professional Engineer and/or Land Surveyor

Edgar L. Risenhoover
Certificate No. **5979**
Edgar L. Risenhoover, L.S.