

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
Revised March 17, 1999

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address El Paso Energy Raton, L.L. C. P.O. Box 190 Raton, NM 87740		² OGRID Number 180514	
		³ API Number 30-007- 20247	
⁴ Property Code 24648 27531	⁵ Property Name Vermejo Park Ranch (VPR)		⁶ Well No. VPRE-03

⁷ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	6	31N	19E	0	920'	SOUTH	1474'	EAST	Colfax

⁸ Proposed Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

⁹ Proposed Pool 1 Stubblefield Canyon Raton-Vermejo Gas (96970)	¹⁰ Proposed Pool 2
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¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary ROTARY/AIR	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 8268' (GL)
¹⁶ Multiple No	¹⁷ Proposed Depth 2750'	¹⁸ Formation Trinidad	¹⁹ Contractor Not Available	²⁰ Spud Date March 1st, 2001

²¹ Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11"	8 5/8"	23#	300'	+/-100 sx.	SURFACE
7 7/8"	5 1/2"	15.50#	2750'	+/-300 sx.	SURFACE

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

- Drill 11" hole to +/- 310' with air.
- Set 8 5/8" surface casing at +/- 300' and cement to surface.
- Drill 7 7/8" hole to 2750' with air. Run open hole logs.
- Set 5 1/2" production casing to TD and cement to surface. Cement volumes calculated off open hole logs.
- Perforate and stimulate Vermejo and/or Raton Coals. Clean out well bore and run production equipment.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.	OIL CONSERVATION DIVISION	
Signature: <i>DR Lankford</i>	Approved by: <i>Ky E Johnson</i>	
Printed name: Donald R. Lankford	Title: DISTRICT SUPERVISOR	
Title: Senior Petroleum Engineer	Approval Date: <i>3/5/01</i>	Expiration Date: <i>3/5/02</i>
Date: 02/09/2001	Phone: (505) 445-4620	Conditions of Approval:
Attached <input type="checkbox"/>		

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State of New Mexico
Energy, Minerals & Natural Resources

Form C-102
Revised March 17, 1994

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 96970		³ Pool Name Stubblefield Canyon Raton - Vermejo Gas	
⁴ Property Code		⁵ Property Name VERMEJO PARK RANCH		⁶ Well Number VPR'E'-03	
⁷ OGRID No. 180514		⁸ Operator Name EL PASO ENERGY RATON, L.L.C.		⁹ Elevation 8267.8'	

¹⁰ Surface Location

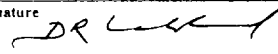
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	6	T 31 N	R 19 E	O	919.9	SOUTH	1473.5	EAST	COLFAX

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
									COLFAX

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p>Signature _____  Printed Name DONALD R. LANKFORD Title SENIOR PETROLEUM ENGINEER Date _____</p>
				919.9	1473.5



The Pittsburg & Midway Coal Mining Co.

A Chevron Company

6400 South Fiddler's Green Circle, Englewood, CO 80111-4991 • Phone (303) 930-3600 • Fax (303) 930-4225

Mail Address: P.O. Box 6518, Englewood, CO 80155-6518

Land Department

GARRY L. MILLER
Senior Land Agent

Phone: (303) 930-4179
E-mail: glml@chevron.com

January 4, 2001

David S. Frank
Division Land Manager
Vermejo Minerals Corporation
20 North Broadway, Suite 1500
Oklahoma City, OK 73102-8260

Re: **York Canyon Area Development Plans**

Dear David:

By letter dated December 21, 2000, you forwarded to me a map dated December 18, 2000 entitled "P&M Proposed Strip Mine in Upper York Canyon". The map indicated the proposed locations of Vermejo Minerals 2001 wells. As discussed between George Crank of the York Canyon Mine and a member of your engineering staff, a number of the proposed well locations and the compressor station fall within the defined Upper York Canyon Coal Resource of P&M. In addition, some of the proposed wells are within the boundaries of the underground Cimarron Mine Permit. The Cimarron Mine is closed and under reclamation.

As you are aware, surface use and mineral development of the Vermejo Ranch is subject to and controlled by a certain Amended and Restated Indenture Agreement between Vermejo Park Corporation, Vermejo Minerals Corporation, The Pittsburg & Midway Coal Mining Co. and Chevron U.S.A. Inc. dated January 31, 1989. As such, P&M has no objection to your proposed 2001 drilling program as outlined in your letter of December 21, 2000.

I look forward to meeting with you later this month to review in more detail your 2001 plans and to discuss P&M's 2001 work plan. In the meantime, should you need anything further, please let me know.

Sincerely,

Garry L. Miller

cc: George Crank, York Canyon Mine