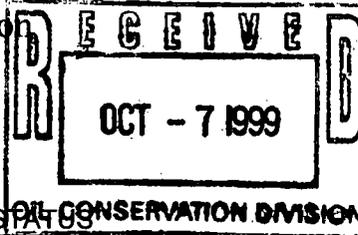


District I - (505) 393-6161
 1625 N. French Dr
 Hobbs, NM 88241-1980
 District II - (505) 748-1283
 811 S. First
 Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Road
 Aztec, NM 87410
 District IV - (505) 827-7131

Energy Minerals and Natural Resources Department

Oil Conservation Division

2040 South Pacheco Street
 Santa Fe, New Mexico 87505
 (505) 827-7131



SUBMIT ORIGINAL
 PLUS 2 COPIES
 TO THE SANTA FE
 OFFICE

APPLICATION FOR NEW WELL SPACING

I. Operator and Well

| | | | | | | | | | |
|--|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|----------------------------|------------------|--|
| Operator name & address SONAT RATON, LLC P.O. BOX 190 RATON, NEW MEXICO 87740 | | | | | | | OGRID Number 180514 | | |
| Contact Party DONALD R. LANKFORD | | | | | | | Phone (505)-445-4621 | | |
| Property Name VERMEJO PARK RANCH (VPR 'A') | | | | | Well Number 16 | | API Number 30-007-20129 | | |
| UL M | Section 29 | Township 32N | Range 20E | Feet From The 1028 | North/South Line South | Feet From The 1075 | East/West Line West | County COLFAX | |

II. Date/Time Information

| | | | |
|-----------------------|----------------------|----------------------------|------|
| Spud Date 07/25/99 | Spud Time 5:30 PM | Date Completed 09/22/99 | Pool |
|-----------------------|----------------------|----------------------------|------|

- III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.
- IV. Attach a list of all working interest owners with their percentage interests.
- V. AFFIDAVIT:

State of New Mexico)
)
 ss.
 County of Colfax)
)
 _____, being first duly sworn, upon oath states:

1. I am the Operator, or authorized representative of the Operator, of the above-referenced well.
2. To the best of my knowledge, this application is complete and correct.

Signature DR Lankford Title Sr. Petroleum Engineer Date 10/05/99

SUBSCRIBED AND SWORN TO before me this 5th day of Oct., 99

Carolyn O'Connor
 Notary Public

My Commission expires: June 1, 2003

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

| | | |
|--------------------------------|----------------------------|----------------------------|
| Signature <u>Mark Sahly</u> | Title <u>P.E. Spce.</u> | Date <u>NOV 22 1999</u> |
|--------------------------------|----------------------------|----------------------------|

VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 11/22/99

NOTICE: The operator must notify all working interest owners of this New Well certification.

PVZV2007029644

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 87240
 District II
 811 South First, Artesia, NM 87210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

WELL API NO.
 30-007-20129

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
 Oil Well Gas Well Other Coalbed Methane

7. Lease Name or Unit Agreement Name:
 VPR 'A'

2. Name of Operator
 SONAT RATON, L.L.C.

8. Well No. - 16

3. Address of Operator
 P.O. Box 190; Raton, NM 87740

9. Pool name or Wildcat

4. Well Location
 Unit Letter M : 1028.11 feet from the South line and 1074.96 feet from the West line
 Section 29 Township 32 N Range 20 E NMPM Colfax County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
 8272'(GR)

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| NOTICE OF INTENTION TO: | SUBSEQUENT REPORT OF: |
|--|--|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> |
| PLUG AND ABANDON <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/> |
| CHANGE PLANS <input type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/> |
| MULTIPLE COMPLETION <input type="checkbox"/> | OTHER: <input type="checkbox"/> |
| OTHER: <input type="checkbox"/> | |

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

07/24/99: MIRU Thornton Rig #2.
 07/25/99: Spud well @ 5:30 P.M.
 07/26/99: Drill 11" hole to 364'. Ran and set 8 5/8", 23#, WC - 50 casing @ 355'.
 Cement with 100 sx. Circ. 20. Sx to surface.
 07/28/99: T.D. 7-7/8 hole @ 2642. RDMO Thornton Rig #2. MIRU completion Rig. Run open hole logs. Ran and set 5 1/2", 15.5#, M-50. Casing @ 2634'. Cement with 300 sx. Circ. 45 sx. to surface.
 08/09/99: Ran CBL. Found TOC @ 70' with good cement below.

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

SIGNATURE Noel W. Pitscher TITLE Petroleum Engr. Advisor DATE 8/31/99

Type or print name Noel W. Pitscher Telephone No. 505-445-41
 (This space for State use)

APPROVED BY Ry Johnson TITLE DISTRICT SUPERVISOR DATE 9/2/99

Conditions of approval, if any:

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 87240
 District II
 811 South First, Artesia, NM 87210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

WELL API NO.
 30-007-20129

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
 1. Type of Well:
 Oil Well Gas Well Other Coalbed Methane

7. Lease Name or Unit Agreement Name:
VPR 'A'

2. Name of Operator
SONAT RATON, L.L.C.

8. Well No. - **16**

3. Address of Operator
 P.O. Box 190; Raton, NM 87740

9. Pool name or Wildcat

4. Well Location
 Unit Letter M : 1028.11 feet from the South line and 1074.96 feet from the West line
 Section 29 Township 32 N Range 20 E NMPM Colfax
 County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
8272'(GR)

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| | | | |
|--|--|---|--|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPLETION <input type="checkbox"/> | CASING TEST AND CEMENT JOB <input type="checkbox"/> | |
| OTHER: <input type="checkbox"/> | | OTHER: <input type="checkbox"/> | COMPLETION <input checked="" type="checkbox"/> |

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.
 Perforate casing 2448' - 2452' and frac W/50,000 lbs. of sand.
 Set RBF @ 2419
 Perforate 2384 - 2390 and frac W/75,000 lbs. of sand.
 Set RBF @ 2365
 Perforate 2350 - 2354. Well went on vacuum.
 Set RBP @ 2300'
 Perforate 2236 - 2242, 2252 - 2257 and frac W/100,000 lbs. of sand.
 Clean out to 2633'.
 Run production equipment.

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

SIGNATURE Donald R. Lankford TITLE Sr. Petroleum Engineer DATE 09/30/99

Type or print name Donald R. Lankford Telephone No. (505)445-4621

(This space for State use)
 APPROVED BY [Signature] TITLE DISTRICT SUPERVISOR DATE 9/30/99
 Conditions of approval, if any:

District I
 1625 N. French Dr., Hobbs, NM 87240
 District II
 811 South First, Artesia, NM 87210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

WELL API NO. 30-007-20129

5. Indicate Type of Lease
 STATE FEE

State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
 OIL WELL GAS WELL DRY OTHER_COALBED METHANE _____

b. Type of Completion:
 NEW WELL WORK OVER DEEPEN PLUG BACK DIFF. RESVR. OTHER _____

2. Name of Operator
SONAT RATON, LLC

3. Address of Operator
 P.O. BOX 190, RATON, NM 87740

7. Lease Name or Unit Agreement Name
VPR 'A'

8. Well No. **16**

9. Pool name or Wildcat

4. Well Location
 Unit Letter **M** : **1028'** Feet From The **SOUTH** Line and **1075'** Feet From The **WEST** Line

Section **29** Township **32N** Range **20E** NMPM COLFAX County

10. Date Spudded **07/25/99** 11. Date T.D. Reached **7/28/99** 12. Date Compl. (Ready to Prod.) **09/22/99** 13. Elevations (DF, RB, RT, GR, etc.) **8272' (GR)** 14. Elev. Casinghead **8271' (GR)**

15. Total Depth **2642'** 16. Plug Back T.D. **2633'** 17. If Multiple Compl. How Many Zones? _____ 18. Intervals Drilled By _____ Rotary Tools **0 - TD** Cable Tools **NONE**

19. Producing Interval(s) of this completion - Top, Bottom, Name
2448'-2452'; 2384'-2390'; 2350'-2354'; 2252'-2257'; 2236'-2242' VERMEJO COALS

20. Was Directional Survey Made **YES**

21. Type Electric and Other Logs Run
INDUCTION LOG; COMPENSATED DENSITY LOG; CBL; DIRECTIONAL LOG

22. Was Well Cored **NO**

23. CASING RECORD (Report all strings set in well)

| CASING SIZE | WEIGHT LB./FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
|-------------|----------------|-----------|-----------|------------------|---------------|
| 8 5/8" | 23 | 355' | 11" | 100 | NONE |
| 5 1/2" | 15.50 | 2634' | 7 7/8" | 300 | NONE |
| | | | | | |
| | | | | | |

24. LINER RECORD

| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN |
|------|-----|--------|--------------|--------|
| | | | | |

25. TUBING RECORD

| SIZE | DEPTH SET | PACKER SET |
|--------|-----------|------------|
| 2 7/8" | 2463 | |

26. Perforation record (interval, size, and number)
 2448'-2452' 2384'-2390' SHOT 4 SPF
 2350'-2354' 2252'-2257' 48" DIA. HOLES
 2236'-2242' 92 HOLES TOTAL

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

| DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED |
|----------------|--|
| 2236'-2452' | 4000 gals of 7 1/2 % HCL; 125,000 lbs of 20/40; 100,000 lbs of 16/30; 1,400,000 scf of N2. (70 quality foam) |

28. PRODUCTION

Date First Production **10/01/99** Production Method (*Flowing, gas lift, pumping - Size and type pump*) **30-N-095 PC PUMP** Well Status (*Prod. or Shut-in*) **PRODUCING**

| Date of Test | Hours Tested | Choke Size | Prod'n For Test Period | Oil - Bbl | Gas - MCF TSTM | Water - Bbl. | Gas - Oil Ratio |
|--------------|--------------|------------|------------------------|-----------|----------------|--------------|-----------------|
| 9/28/99 | 24 | | | | | 159 | |

| Flow Tubing Press. | Casing Pressure | Calculated 24-Hour Rate | Oil - Bbl. | Gas - MCF TSTM | Water - Bbl. | Oil Gravity - API - (Corr.) |
|--------------------|-----------------|-------------------------|------------|----------------|--------------|-----------------------------|
| | 7 psi | | | | 159 | |

29. Disposition of Gas (*Sold, used for fuel, vented, etc.*)
USED FOR FUEL AND VENTED THE N2

Test Witnessed By **LARRY CASEY**

30. List Attachments

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Signature *Don Lankford* Printed Name **DON LANKFORD** Title **SR. PETROLEUM ENGINEER** Date **09/30/99**

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

- | | |
|--------------------------|------------------------|
| T. Anhy _____ | T. Canyon _____ |
| T. Salt _____ | T. Strawn _____ |
| B. Salt _____ | T. Atoka _____ |
| T. Yates _____ | T. Miss _____ |
| T. 7 Rivers _____ | T. Devonian _____ |
| T. Queen _____ | T. Silurian _____ |
| T. Grayburg _____ | T. Montoya _____ |
| T. San Andres _____ | T. Simpson _____ |
| T. Glorieta _____ | T. McKee _____ |
| T. Paddock _____ | T. Ellenburger _____ |
| T. Blinebry _____ | T. Gr. Wash _____ |
| T. Tubb _____ | T. Delaware Sand _____ |
| T. Drinkard _____ | T. Bone Springs _____ |
| T. Abo _____ | T. _____ |
| T. Wolfcamp _____ | T. _____ |
| T. Penn _____ | T. _____ |
| T. Cisco (Bough C) _____ | T. _____ |

Northwestern New Mexico

- | | |
|-----------------------------|---------------------------|
| T. Ojo Alamo _____ | T. Penn. "B" _____ |
| T. Kirtland-Fruitland _____ | T. Penn. "C" _____ |
| T. Pictured Cliffs _____ | T. Penn. "D" _____ |
| T. Cliff House _____ | T. Leadville _____ |
| T. Menefee _____ | T. Madison _____ |
| T. Point Lookout _____ | T. Elbert _____ |
| T. Mancos _____ | T. McCracken _____ |
| T. Gallup _____ | T. Ignacio Otzte _____ |
| Base Greenhorn _____ | T. Granite _____ |
| T. Dakota _____ | T. Raton - Surface _____ |
| T. Morrison _____ | T. Vermejo - 2230' _____ |
| T. Todilto _____ | T. Trinidad - 2474' _____ |
| T. Entrada _____ | T. Pierre - 2544' _____ |
| T. Wingate _____ | T. _____ |
| T. Chinle _____ | T. _____ |
| T. Permian _____ | T. _____ |
| T. Penn "A" _____ | T. _____ |

OIL OR GAS SANDS OR ZONES

- | | |
|-------------------------|-------------------------|
| No. 1, from.....to..... | No. 3, from.....to..... |
| No. 2, from.....to..... | No. 4, from.....to..... |

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

- | | |
|-------------------------|-----------|
| No. 1, from.....to..... | feet..... |
| No. 2, from.....to..... | feet..... |
| No. 3, from.....to..... | feet..... |

LITHOLOGY RECORD (Attach additional sheet if necessary)

| From | To | Thickness In Feet | Lithology | From | To | Thickness In Feet | Lithology |
|------|----|----------------------|-----------|------|----|----------------------|-----------|
| | | | | | | | |

**Sonat Raton
P.O. Box 190
Raton, NM 87740**

Oct. 6, 1999

NOTICE OF GAS CONNECTION

This is to notify the New Mexico Oil Conservation Division that connection for purchase of gas from Sonat Raton's Vermejo Park Ranch Well No. A-16, meter station no. 'A-16' located in unit letter M, Section 29, Township 32 North, Range 20 East, Colfax County, New Mexico, 160 acre area, was made on 09/22/99, by Sonat Raton, L.L.C. First delivery date: 10/1/99.

Purchaser: **Sonat Raton, L.L.C.**

Representative: DR Lowland

Title: **Facilities Engineer**

Sonat Raton, L.L.C.
P.O. Box 190
Raton, New Mexico 87740

October 5, 1999

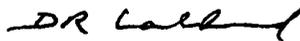
Mark Ashley
New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

Mark:

The subject well, as well as all wells within the Vermejo Park Ranch have the following Working Interest:

| | |
|--------------------|----------|
| Sonat Exploration: | 75.000 % |
| Devon Energy: | 25.000 % |

Respectfully,



Don Lankford