



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

February 18, 2003

MarkWest Resources, Inc.
c/o Permits West, Inc.
37 Verano Loop
Santa Fe, New Mexico 87505
Attention: Brian Wood
brian@permitswest.com

Administrative Order NSL-4842 (SD)

Dear Mr. Wood:

Reference is made to the following: (i) your application on behalf of the operator, MarkWest Resources, Inc. ("MarkWest"), submitted to the New Mexico Oil Conservation Division ("Division") on January 28, 2003 (*Division application reference No. pKRV0-302930652*); and (ii) the Division's records in Aztec and Santa Fe: all concerning MarkWest's request for an exception to the well location requirements provided within the "*Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987-B, issued in Case No. 12290 and dated June 30, 2000, as amended by Division Orders No. R-10987-B (1), dated August 10, 2000, and R-10987-B (2), dated January 29, 2002, for a non-standard infill gas well location within an existing standard 320-acre stand-up gas spacing and proration unit for the Basin-Dakota Pool (71599) comprising the W/2 of Section 26, Township 30 North, Range 13 West, NMPM, San Juan County, New Mexico.

This unit is currently dedicated to MarkWest's: (i) Federal "A" Well No. 2 (API No. 30-045-09153), located at a standard gas well location 1190 feet from the South line and 890 feet from the West line (Unit M) of Section 26; and (ii) Federal "A" Well No. 2-E (API No. 30-045-23865), located at a standard gas well location 890 feet from the North line and 1730 feet from the West line (Unit C) of Section 26.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled at an unorthodox infill gas well location in Section 23 is hereby approved:

Las Colinas Well No. 200
1990' FNL & 429' FWL (Unit E).

Further, the proposed Las Colinas Well No. 200 and existing Federal "A" Wells No. 2 and 2-

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E and existing 320-acre Dakota gas spacing and proration unit shall be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

A handwritten signature in cursive script that reads "Lori Wrotenbery". The signature is written in black ink and is positioned below the word "Sincerely,".

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division -Aztec
U. S. Bureau of Land Management -Farmington