



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

February 14, 2002

Lori Wrotenbery
Director
Oil Conservation Division

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-4700

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 25, 2002 (*Division application reference No. pKRV0-202827521*); 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-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, for a replacement well to be drilled at an off-pattern non-standard coal gas well location within an existing standard 320-acre gas spacing and proration unit.

The W/2 of Section 36, Township 27 North, Range 11 West, NMPM, San Juan County, New Mexico, being a standard 320-acre stand-up gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool (71629), is currently assigned to MarkWest's Scott "E" Federal Well No. 18 (API No. 30-045-24569), located a standard coal gas well location 990 feet from the South line and 1520 feet from the West line (Unit N) of Section 36.

The application has been duly filed under the provisions of: (i) Rule 8 of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended; (ii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission ("Commission") in Case No. 12119 on August 12, 1999; and (iii) Rule 1207.A (2), revised by Division Order No. R-11205, issued by the Commission in Case No. 12177 on June 17, 1999.

By the authority granted me under the provisions of these special pool rules and Division Rule 104.F (2), the following described well to be drilled as a replacement coal gas well on this 320-acre gas spacing and proration unit at an off-pattern non-standard coal gas well location is hereby approved:

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**Scott Federal "27-11" Well No. 36
1700' FNL & 1350' FWL (Unit F).**

It is further ordered that at the time that the proposed Scott Federal "27-11" Well No. 36 is successfully drilled and completed in the Basin-Fruitland Coal (Gas) Pool, MarkWest shall cease producing from the Basin-Fruitland Coal (Gas) Pool from its existing Scott "E" Federal Well No. 18.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

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