



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

December 23, 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-4671-A (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 December 2, 2002 (*Division application reference No. pKRV0-233730891*); 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 E/2 of Section 23, Township 27 North, Range 11 West, NMPM, San Juan County, New Mexico.

This unit is currently dedicated to MarkWest's Scott Federal "23-27-11" Well No. 1 (**API No. 30-045-30892**), located at an unorthodox gas well location (approved by Division Administrative Order NSL-4671, dated December 3, 2001) 1645 feet from the North line and 360 feet from the East line (Unit H) of Section 23.

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:

Scott Federal Well No. 233
285' FSL & 1370' FEL (Unit O).

Further, the aforementioned Scott Federal "23-27-11" Well No. 1 and Scott Federal Well No. 233 and existing Dakota gas spacing and proration unit will be subject to all existing rules, regulations,

Administrative Order NSL-4671-A(SD)

Markwest Resources, Inc.

December 23, 2002

Page 2

policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenberg / MES".

Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division – Aztec
U. S. Bureau of Land Management – Farmington
File: NSL-4671