

October 25, 2001

Enerdyne LLC
P. O. Box 502
Albuquerque, New Mexico 87103

Attention: Don L. Hanosh
Dhanosh426@aol.com

RCVD FEB 16 '10

OIL CONS. DIV.

DIST. 3

Administrative Addendum to Division Orders No. R-1533 and R-2282

Dear Mr. Hanosh:

Reference is made to: (i) your application dated November 6, 2000 (*application reference No. pKRV0-031847331*) for five unorthodox oil well locations in the Red Mountain-Mesaverde Oil Pool (51680) within Enerdyne LLC's Santa Fe Pacific Lease in Sections 20 and 29, Township 20 North, Range 9 West, NMPM, McKinley County, New Mexico; (ii) your request for a blanket exception to the well location provisions for future wells to the Menefee formation of the Mesaverde group within Enerdyne LLC's lease hold area in Sections 19, 20, 21, 22, 27, 28, 29, 31, and 32, Township 20 North, Range 9 West, NMPM, and Sections 5 and 6, Township 19 North, Range 9 West, NMPM, all in McKinley County, New Mexico; (iii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe; and (iv) several telephone conversations between you and Mr. Michael E. Stogner, Engineer with the Division.

The rules and procedures currently governing the Red Mountain-Mesaverde Oil Pool include but are not necessarily limited to:

- (i) Division Rules 104.B and 104.F; and
- (ii) Division Orders No. R-1533, issued in Case No. 1805 on November 23, 1959, and R-2282, issued in Case No. 2589 on July 17, 1962.

The subject application has been duly filed under the provisions of Division Rule 104.F and the applicable provisions of the rules governing this pool.

The "*Applications for Permit to Drill*" ("APD") on each well filed by Enerdyne LLC with the Division's Aztec district office on April 10, 2000 appear to meet the provisions of Division Rule 104.F (1); therefore, by the authority granted me under the provisions of the applicable rules, regulations, and procedures governing the Red Mountain-Mesaverde Oil Pool, the following described five unorthodox Mesaverde oil well locations all in Township 19 North, Range 9 West, NMPM, McKinley County, New Mexico, are hereby approved:

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<u>Well Name and Number</u>	<u>API No.</u>	<u>Location (UNIT)</u>	<u>SECTION</u>
Santa Fe Pacific Well No. 4	30-031-21000	590' FNL & 1770' FEL (B)	29
Santa Fe Pacific Well No. 5	30-031-21001	830' FNL & 2610' FEL (B)	29
Santa Fe Pacific Well No. 6	30-031-21002	40' FNL & 1240' FEL (A)	29
Santa Fe Pacific Well No. 7	30-031-21004	80' FSL & 2010' FEL (O)	20
Santa Fe Pacific Well No. 9	30-031-21003	450' FSL & 1510' FEL (O)	20

Please note however that due to insufficient land ownership information, Enerdyne LLC's blanket request cannot be granted at this time.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec