STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

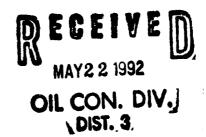
Hold C-104 for Devidion report (?

May 19, 1992

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

Veteran Exploration, Inc. 7535 East Hampden Avenue Suite 506 Denver, Colorado 80231

Attention: Robert P. Jacobsen



AMENDED Administrative Order DD-55(H) Highly Deviated Well Bore in Section 12, Township 20 North, Range 3 West, NMPM, Sandoval County, New Mexico.

Dear Mr. Jacobsen:

Reference is made to your letter dated April 28, 1992 requesting an amendment to Division Administrative Order DD-52(H) which would allow Veteran Exploration, Inc. to re-enter existing horizontal portion of its San Isidro "12" Well No. 10 and drill out from a second sidetrack which will deviate along a path 100 to 200 feet below the previous horizontal and in a more northwesterly direction (N 50° W) with an angle of approximately 85 degrees. It is our understanding that this extension is necessary because the initial horizontal extension deviated out of the oil pay target interval.

The above described change shall be incorporated into the original DD-52(H) order, further all provisions contained in said original order shall remain in full force and effect until further notice.

Veteran Exploration, Inc. May 19, 1992 Page 2

A correction shall also be incorporated into these administrative orders at this time, the actual surface location shall be changed to read "1545 feet from the South line and 1420 feet from the East line (Unit J)".

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

WILLIAM J. LEMAY

Director

SEAL

cc: Oil Conservation Division - Aztec

U.S. BLM - Farmington File Case No: 10100