



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

February 17, 2003

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-4302-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 January 28, 2003 (*Division application reference No. pKRV0-302930540*); and (ii) the Division's records in Aztec and Santa Fe, including the file on Division Administrative Order NSL-4302: all concerning MarkWest's request for an exception to the well location requirements [Rule 7 (a) (1)] 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 non-standard infill gas well location within an existing standard 320-acre stand-up gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (71629) comprising the W/2 of Section 26, Township 30 North, Range 13 West, NMPM, San Juan County, New Mexico.

This application has been duly filed under the provisions of: (i) Rule 7 (b) of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*"; (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.

This unit is currently dedicated to MarkWest's Federal "A" Well No. 2-E (API No. 30-045-23865), which is at a location now considered to be orthodox but was non-standard at the time it was completed in the Basin-Fruitland Coal (Gas) Pool (approved by Division Administrative Order NSL-4302, dated June 7, 1999) 890 feet from the North line and 1730 feet from the West line (Unit C) of Section 26.

By the authority granted me under the applicable provisions of the special pool rules governing the Basin-Fruitland Coal (Gas) Pool and Division Rule 104.F (2), the following described well to be drilled as an unorthodox infill coal gas well on this 320-acre gas spacing unit is hereby

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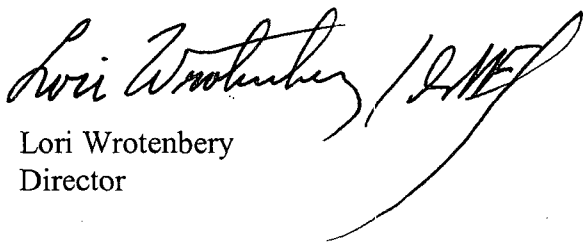
approved:

**Las Colinas Well No. 102
537' FSL & 2139' FWL (Unit N).**

Further, MarkWest is hereby authorized to simultaneously dedicate production attributed to the Basin-Fruitland Coal (Gas) Pool from its existing Federal "A" Well No. 2-E with the proposed Las Colinas Well No. 102.

Jurisdiction of this case 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
U. S. Bureau of Land Management - Farmington
File: NSL-4302 ✓