

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office 1235 La Plata Highway, Suite A Farmington, New Mexico 87401

IN REPLY REFER TO: NMSF - 078094 3162.3-1 (07100)

April 5, 2002



MarkWest Resources, Inc. 155 Inverness Drv. W. # 200 Englewood, CO 80112

Dear Ms. Bush:

Reference is made to the following well on Federal oil and gas lease NMSF - 078094:

Fullerton Federal 27-11#14, located 1025' FSL and 685' FWL, Sec. 14 - 27N., - R11W., San Juan County, NM. 30-045-30825

This well was approved for drilling on January 16, 2002 as a Kutz PC West well to a total depth of 2150'. The permit entailed the drilling of a 12 1/4" hole and the installation of 8 5/8" surface casing. We received your Subsequent Report Sundry Notice dated March 27, 2002, outlining in essence, after the fact details of drilling an 8 3/4" hole and using 7" for surface casing. Pursuant to the General Requirements attached to the APD, prior approval by the BLM Authorized Officer is required for a variance from the approved drilling program. Emergency approval may be obtained orally, but such approval is contingent upon filing of a Notice of Intent (on a Sundry Notice Form, Form 3160-5) within three business days. This office has no record of prior approval, written or verbal, being authorized to change the size of surface casing installed in this well. Per telephone conversation between Matt Halbert, of this office, and Brian Wood on April 2, 2002, Mr. Wood, was informed that this office did not have a processed Notice of Intent changing plans for the surface casing. As such, you are in violation of 43 CFR 3162.3-1, for failure to comply with the written requirements of the Application for Permit to Drill. However, this is considered a minor violation, and this will serve as notice that if violations of this sort occur in the future, you will be subject to a monetary assessment. Enclosed you will find the after the fact processed Sundry Notices.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the assessment described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P.O. Box 27115, Sante Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determine. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3154.4 and 43 CFR 4.400 et seq.

If you have any questions regarding the above contact Matt Halbert @ (505) 599-6350 or the undersigned @ (505) 599-6367.

Sincerely,

/s/ fim Lovato

Jim Lovato Senior Technical Advisor Petroleum Management Team

cc:

NMOCD, Aztec, NM NMOCD, Santa Fe, NM Form 3150-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0135 Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.					Lease Serial No. NMSF-078094 If Indian, Allottee or Tribe Name NA If Unit or CA/Agreement, Name and/or No.		
Type of Well Oil Well			8. Well Name and No. FULL FEDERAL				
Name of Operator MARKWEST RESOURCES, I	CINDY BUSH E-Mail: cbush@r	narkwest.com		9. API Well No. 30-045-30825			
3a. Address 155 INVERNESS DRIVE WES ENGLEWOOD, CO 80112	3b. Phone No. (include area code) Ph: 303.925.9283 Fx: 303.290.9309			10. Field and Pool, or Exploratory KUTZ PC WEST			
4. Location of Well (Footage, Sec., T	i)			11. County or Parish,	and State		
Sec 14 T27N R11W SWSW 1		UL NAS			UNTY, NM		
12. CHECK APPR	ROPRIATE BOX(ES) TO	O INDICATE N	IATURE OF	NOTICE, RE	EPORT, OR OTHE	R DATA	
TYPE OF SUBMISSION			F ACTION				
☐ Notice of Intent	☐ Acidize	☐ Deepe	☐ Deepen		on (Start/Resume)	☐ Water Shut-Off	
	☐ Alter Casing	☐ Fractu	re Treat	☐ Reclama	ition	□ Well Integrity	
Subsequent Report	□ Casing Repair	☐ New (■ New Construction		lete	Other	
☐ Final Abandonment Notice	☐ Change Plans	🗖 Plug a	nd Abandon	☐ Temporarily Abandon		Drilling Operations	
	☐ Convert to Injection	Plug B	☐ Plug Back		isposal		
If the proposal is to deepen directional Attach the Bond under which the wor following completion of the involved testing has been completed. Final Abdetermined that the site is ready for final 3-15-02: Spudded well @11:00177.76'. Cmt w/55 sks class that csg to 500 psi.	k will be performed or provide operations. If the operation re andonment Notices shall be fill nal inspection.) O AM. Drill to TD W/8-3/4B" cmt, 2% CACL2 & 1/4	the Bond No. on fi sults in a multiple of ed only after all red 4" bit. Ran 7" co 4"/sk Celoflake.	ile with BLM/BIA completion or reco quirements, include sg, 20# K-55 c Circ 4 bbls to	A. Required sub ompletion in a n ding reclamation asg and set @ o surface. Pre	sequent reports shall be ew interval, a Form 316, have been completed,	filed within 30 days 0-4 shall be filed once	
	Electronic Submission # For MARKWEST				System		
Name (Printed Typed) CINDY BUSH			Title AUTHORIZED REPRESENTATIVE				
Signature (Electronic §	₁	Date 03/25/2	002				
	THIS SPACE FO	R FEDERAL	OR STATE	OFFICE US	SE .		
Approved By			Title		ACCEP FARF	OR HECORDI	
conditions of approval, if any, are attached. Approval of this notice does not warran entify that the applicant holds legal or equitable title to those rights in the subject leavhich would entitle the applicant to conduct operations thereon.			Office		APR 0 4	2002	
itle 18 U.S.C. Section 1001 and Title 43 I	LS.C. Section 1212 make it a	crime for any perso	n knowingly and	willfully to mal	A LEARNA MANAGER OF	agency of the United	

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Form 3160-5 (August 1999) DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.					FORM APPROVED OMB NO. 1004-0135 Expires: November 30, 2000 5. Lease Serial No. NMSF-078094 6. If Indian, Allottee or Tribe Name NA				
								SUBMIT IN TR	
I. Type of Well☐ Oil Well☑ Gas Well☐ Oil		8. Well Name and No. FULLERTON FED. 27-11 #14							
Name of Operator MARKWEST RESOURCES,		9. API Well No. 30-045-30825							
3a. Address 155 INVERNESS DRIVE WE ENGLEWOOD, CO 80112	3b. Phone No. (Ph: 303.925 Fx: 303.290.9	nclude area code) 10. Field and Pool, or Exploratory KUTZ PC WEST 309							
4. Location of Well (Footage, Sec.,		11. County or Parish, and State							
Sec 14 T27N R11W SWSW 1025FSL 685FWL					SAN JUAN COUNTY, NM				
12. CHECK APP	ROPRIATE BOX(ES) TO	O INDICATE 1	NATURE OF N	NOTICE, RE	PORT, OR OTHE	R DATA			
TYPE OF SUBMISSION	TYPE OF ACTION								
☐ Notice of Intent	☐ Acidize	☐ Deepe	en	☐ Production	n (Start/Resume)	■ Water Shut-Off			
	☐ Alter Casing	☐ Fractu	re Treat	☐ Reclamation		☐ Well Integrity			
Subsequent Report	☐ Casing Repair	☐ New (Construction	☐ Recomplete		Other			
☐ Final Abandonment Notice	Change Plans		and Abandon		rily Abandon	Drilling Operations			
	☐ Convert to Injection	🗖 Plug B	☐ Plug Back ☐		■ Water Disposal				
13. Describe Proposed or Completed Op If the proposal is to deepen direction Attach the Bond under which the wo following completion of the involved testing has been completed. Final Al determined that the site is ready for f	ally or recomplete horizontally, rk will be performed or provide I operations. If the operation rest bandonment Notices shall be file	give subsurface lo the Bond No. on f	cations and measurile with BLM/BIA	red and true vert . Required substantial in a new	ical depths of all pertine equent reports shall be	ent markers and zones. filed within 30 days			
Finished drilling 6-1/4" hole to Cmt and pump 177 sks Econo celoflake and gilsonite. Displa	o-lite with celoflake and gil	sonite and taile	ed in w/ 50 sks	at collar. w/4% gel and	I S				
						11 12 13			
14. I hereby certify that the foregoing is	true and correct. Electronic Submission # For MARKWEST	10941 verified b RESOURCES, I	y the BLM Well NC, sent to the	Information S Farmington	ystem				
Name (Printed/Typed) CINDY BUSH Title AUTHORIZED F					ESENTATIVE	· · · · · · · · · · · · · · · · · · ·			
Signature Welectronic S	002								
THIS SPACE FOR FEDERAL OR STATE OFFICE USE									
Approved By			Title		ACCEPTED F	OR RECORD			
Conditions of approval, if any, are attached certify that the applicant holds legal or equivalent would entitle the applicant to conduct the applicant	itable title to those rights in the	not warrant or subject lease	Office		APR 0	4 2002			

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to aFARMING TO FIELD OFFICE ited States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.