



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 - 078089
3162.3-1 (07100)

April 5, 2002

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

Dear Ms. Bush:

30-045-30964



Reference is made to the following well on Federal oil and gas lease NMSF - 078089:

RF
Basin Fruitland Coal, Scott Federal 27-11 # 36, located 1700 FNL and 1350 FWL, Sec. 36, - T27N., - R11W., San Juan County, NM

This well was approved for drilling on February 22, as a Basin Fruitland Coal 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 a 8 5/8" 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, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals form 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/ Jim Lovato

Jim Lovato
Senior Technical Advisor
Petroleum Management Team

cc:
NMOCD, Aztec, NM
NMOCD, Santa Fe, NM

UNITED STATES
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-078089
6. If Indian, Allottee or Tribe Name NA
7. If Unit or CA/Agreement, Name and/or No. NA
8. Well Name and No. SCOTT FEDERAL 27-11 #36
9. API Well No. 30-045-30964
10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
11. County or Parish, and State SAN JUAN COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

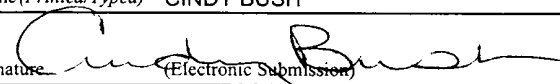
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		3b. Phone No. (include area code) Ph: 303.925.9283 Fx: 303.290.9309
2. Name of Operator MARKWEST RESOURCES, INC		Contact: CINDY BUSH E-Mail: cbush@markwest.com
3a. Address 155 INVERNESS DRIVE WEST, SUITE 200 ENGLEWOOD, CO 80112	10. Field and Pool, or Exploratory BASIN FRUITLAND COAL	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 36 T27N R11W SENW 1700FNL 1350FWL		11. County or Parish, and State SAN JUAN COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Drilling Operations
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

3-22-02 Spudded well@1:30 PM. Drill to TD w/8-3/4" bit. Ran 7" csg, 23#, K-55 csg and set@178.35.
Cmt w/70 sks Class "B" w/2% cacl2 and 1/4#/sk celoflake. Circ. 6 bbls cmt to surf.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #10938 verified by the BLM Well Information System For MARKWEST RESOURCES, INC, sent to the Farmington	
Name (Printed/Typed) CINDY BUSH	Title AUTHORIZED REPRESENTATIVE
Signature  (Electronic Submission)	Date 03/27/2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title _____ Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office _____ APR 03 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, orally or in writing, any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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