

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

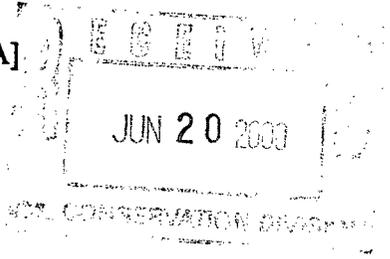
- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD SD

Check One Only for [B] and [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Thomas L. Fithian
 Print or Type Name

Thomas L. Fithian
 Signature

Rockies Engineering Manager
 Title

June 19, 2000
 Date



Vastar Resources, Inc.

15375 Memorial Drive
Houston Texas 77079
281 584-6000

Joint Ventures and Land

June 19, 2000

Lori Wrontenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Application of Vastar Resources, Inc. for Administrative Approval of an Unorthodox Well Location for its Carracas 36 A Well No. 5, to be located 1,450 feet from the North line and 910 feet from the West line of Section 36, Township 32 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico

Dear Ms. Wrotenbery:

Vastar Resources, Inc. hereby seeks administrative approval pursuant to the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool adopted on October 17, 1988, of an unorthodox well location for its 36 A Well No. 5, to be drilled in the Fruitland Coal formation at an unorthodox well location 1,450 feet from the North line and 910 feet from the West line of Section 36, Township 32 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico. A standard 320-acre spacing unit comprising the W2 Section 25 will be dedicated to the well.

The well will be drilled to a depth of approximately 3,740 feet to test the Fruitland Coal formation, Basin-Fruitland Coal Gas Pool.

This location in the Fruitland Coal formation is unorthodox because Rule 7 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool (Order No. R8768, as amended) provides for wells to be located in the NE/4 or SW/4 of a single governmental section and located no closer than 660 feet to any outer boundary of the proration unit nor closer than 10 feet to any interior quarter-quarter section line or subdivision inner boundary.

This unorthodox location is required by topographic conditions and Carson National Forest requirements. The proposed well is located at the end of an existing road and would be drilled on an existing pad that was previously built, but not drilled upon. The Forest Service has requested that new wells be placed along existing roads so as not to further impact the environment with new access roads.

Lori Wrontenberg, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
Carracas 36 A #5 Well
June 19, 2000
Page 2

Attached hereto as Exhibit A is a topographical map showing no standard location is available for the well on this spacing unit. Attached as Exhibit B and C are the C-102 Plat and the APD. These exhibits show that the unorthodox location is supported by the surface topography of the area.

Attached hereto as Exhibit D is a plat as required by Rule 104.F(3) showing the subject spacing unit, the proposed unorthodox well location, the offsetting wells and the diagonal and adjoining spacing units. Exhibit E lists the parties affected by this application. A copy of this application, including a copy of the plat described above has been sent to these affected parties by certified mail-return receipt requested in accordance with Rule 1206(A)(5) advising them that if they have an objection to this application it must be filed in writing within twenty days from the date this notice was sent.

Copies of this request have also been provided to the Aztec Office and the Bureau of Land Management, Farmington District Office.

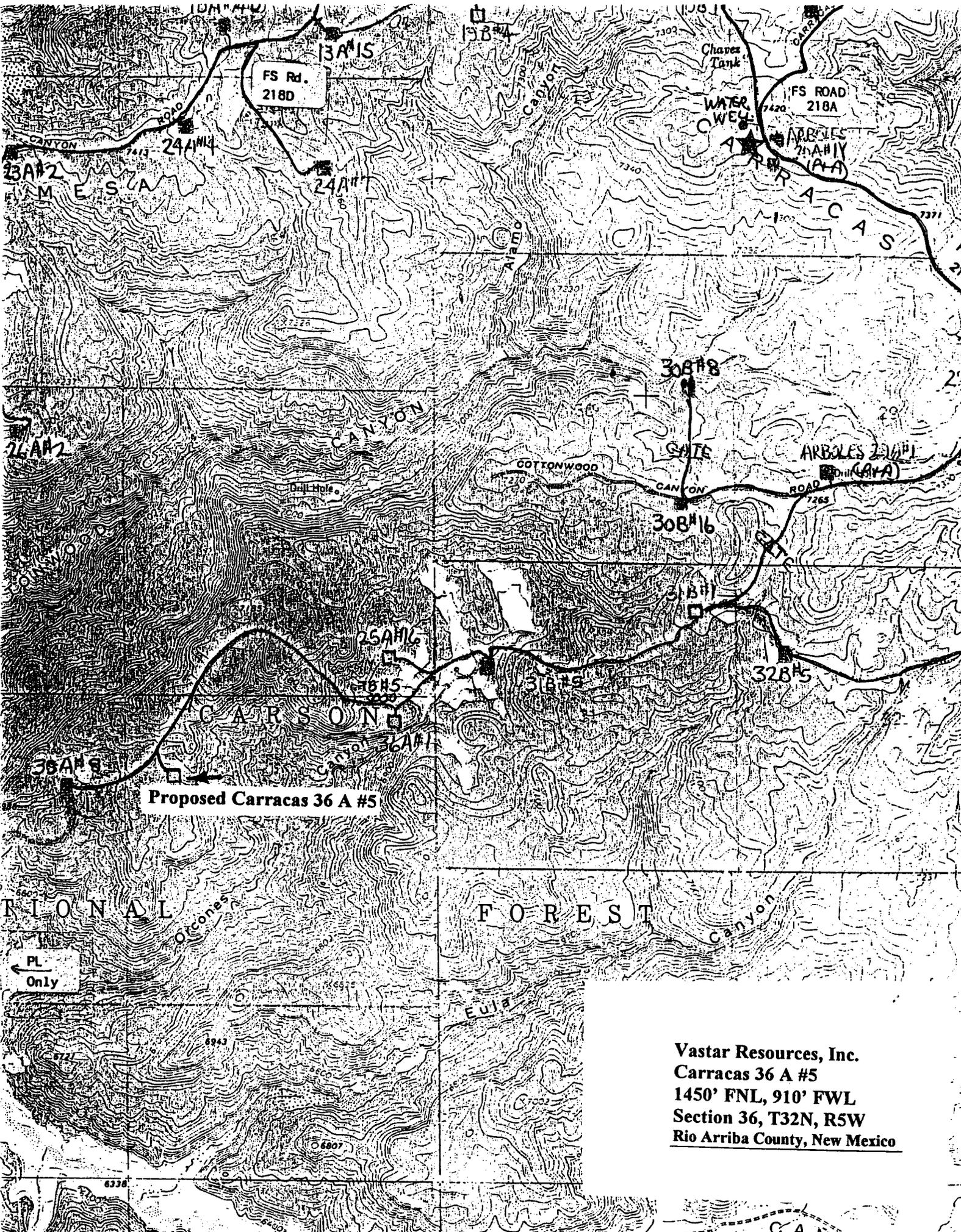
Very truly yours,

A handwritten signature in black ink, appearing to read "Michael Rodgers", with a long horizontal flourish extending to the right.

Michael Rodgers, CPL

Direct Line: (281) 584-3230
Fax: (281) 584-6370
E-mail: mrodger@vastar.com

Enclosures



Proposed Carras 36 A #5

Vastar Resources, Inc.
Carras 36 A #5
1450' FNL, 910' FWL
Section 36, T32N, R5W
Rio Arriba County, New Mexico

CANON

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

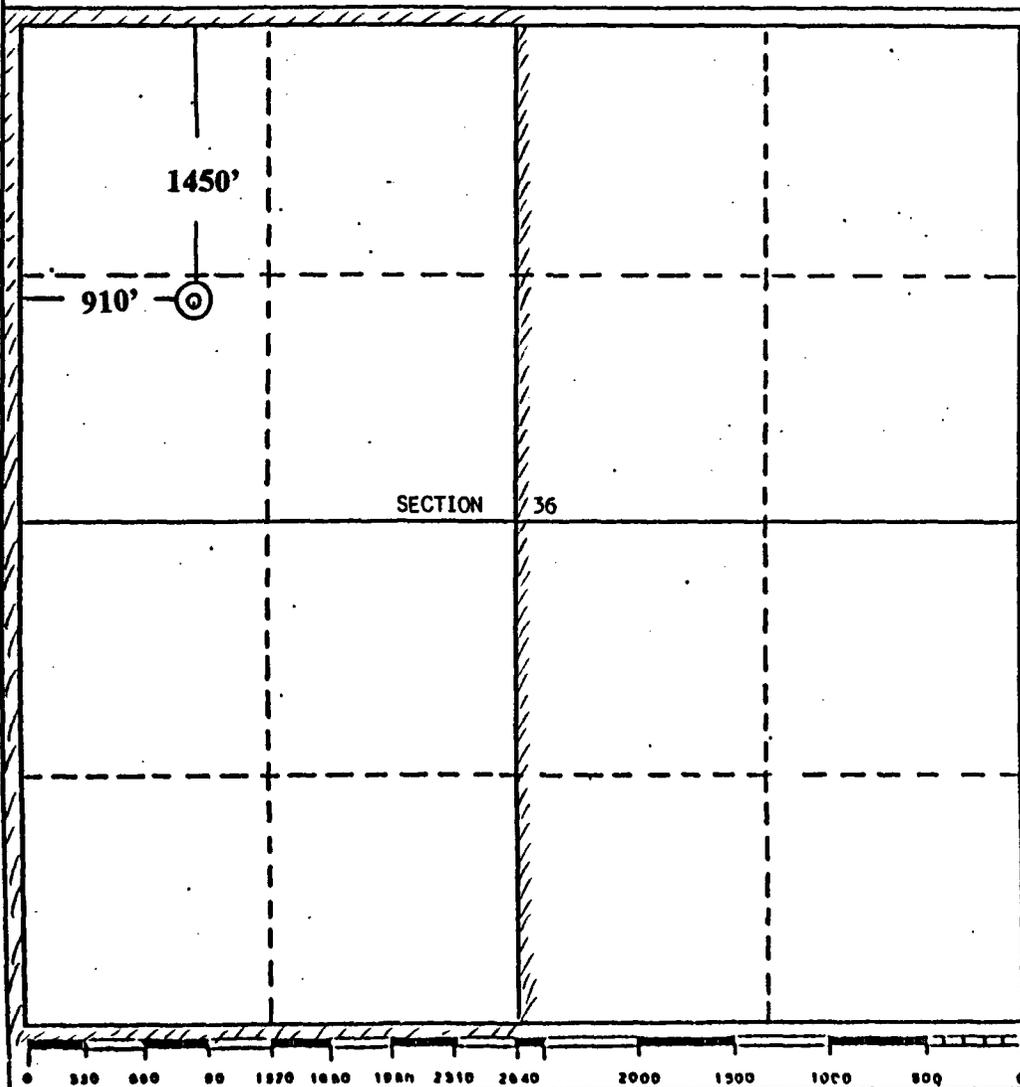
Operator Vastar Resources, Inc.		Lease Carracas 36 A			Well No. 5
Unit Letter E	Section 36	Township 32 North	Range 5 West	County Rio Arriba	
Actual Footage Location of Well: 1450 feet from the North line and 910 feet from the West line					
Ground Level Elev. 6902'	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal	Dedicated Acreage: (W/2) 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Name	<i>Charles W. Knight, Jr.</i> Charles W. Knight, Jr.
Position	Engineer
Company	Vastar Resources, Inc.
Date	June 12, 2000
Date Surveyed	September 1, 1988
Registered Professional Engineer and/or Land Surveyor	
<i>Edgar L. Risenhoover</i>	
Certificate No.	5979
Edgar L. Risenhoover, L.S.	



Vastar Resources, Inc.

1816 E. Mojave St.
Farmington, New Mexico 87401
505 599-4300
505 599-4328 Fax

June 12, 2000

Bureau of Land Management
Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

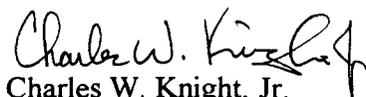
Re: APD – Carracas 36 A #5

Attached please find an APD package for the proposed Carracas 36 A #5 well located in the Carson National Forest in Rio Arriba County, New Mexico. Included are the following items:

- APD form 3160-3
- Surveyors plat with well location and elevation
- USGS Topographic Orientation Map
- Eight part Drilling Plan
- Thirteen part Surface Use Plan
- Drill site location/rig layout and site crosssection
- Offset well identifier map showing wells within a one mile radius
- BOP stack diagram
- Choke manifold diagram
- Surface production facilities diagram

A notice of staking was filed with your office on May 16, 2000 and an onsite review was performed with Cam Hooley of the Forest Service and Charlie Knight representing Vastar. The Forest Service approved the location for the well on the previously built pad location. The pad will be bladed and the pits reworked with no major modifications to the existing disturbed area.

The proposed well site is unorthodox due to the location in the NW/4 of the section and an application for NMOCD administrative approval for the well is in progress. Please contact Charlie Knight at Vastar in Farmington at (505) 599-4308 or Dave Reid at Vastar in Houston at (281) 584-3702 if further information is needed to process the attached application.


Charles W. Knight, Jr.
Engineer

Form 3160-3
(July 1992)

SUBMIT IN TRIPPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 VASTAR RESOURCES, INC.

3. ADDRESS AND TELEPHONE NO.
 1816 E. MOJAVE, FARMINGTON NM 87401 (505) 599-4300

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 AT SURFACE 1450' FNL & 910' FWL
 At proposed prod. zone SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 40 MILES EAST-NORTHEAST OF BLOOMFIELD, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest dflg. unit line, if any) 910'

16. NO. OF ACRES IN LEASE 1760

17. NO. OF ACRES ASSIGNED TO THIS WELL 320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 7050'

19. PROPOSED DEPTH 3740'

20. ROTARY OR CABLE TOOLS ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6902' GL

22. APPROX. DATE WORK WILL START* JULY, 2000

6. LEASE DESIGNATION AND SERIAL NO.
 NM 59704

8. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

5. FARM OR LEASE NAME, WELL NO.
 CARRACAS 36A #5

9. AP WELL NO.

10. FIELD AND POOL, OR WILDCAT
 BASIN FRUITLAND COAL

11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA
 SEC. 36, T-32N, R-5W

12. COUNTY OR PARISH RIO ARRIBA **13. STATE** NM

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	400'	300 sx (354 cf.) Circ. to Surf.
7-7/8"	5-1/2"	15.5#	3740'	900 sx (1730 cf.) Circ. to Surf.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. Charles W. Knight, Jr. **TITLE** ENGINEER (505) 599-4308 **DATE** 6/12/00
 SIGNED CHARLES W. KNIGHT, JR.
 (This space for Federal or State office use)

PERMIT NO. _____ **APPROVAL DATE** _____

Application approval does not warrant or certify that the applicants hold legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL IF ANY:

APPROVED BY _____ **TITLE** _____ **DATE** _____

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

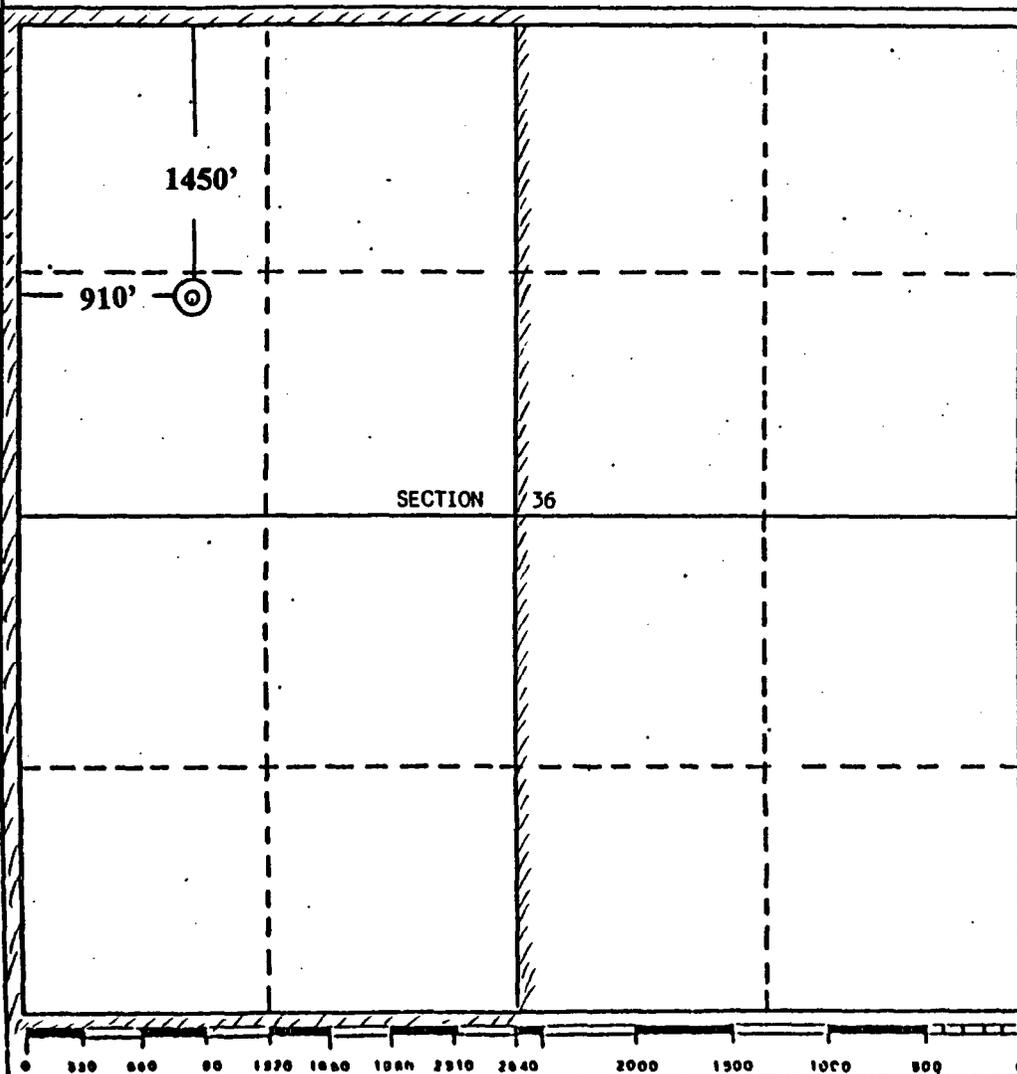
Operator Vastar Resources, Inc.		Lease Carracas 36 A			Well No. 5
Unit Letter E	Section 36	Township 32 North	Range 5 West	County Rio Arriba	
Actual Footage Location of Well: 1450 feet from the North line and 910 feet from the West line					
Ground Level Elev. 6902'	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal	Dedicated Acreage: (W/2) 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

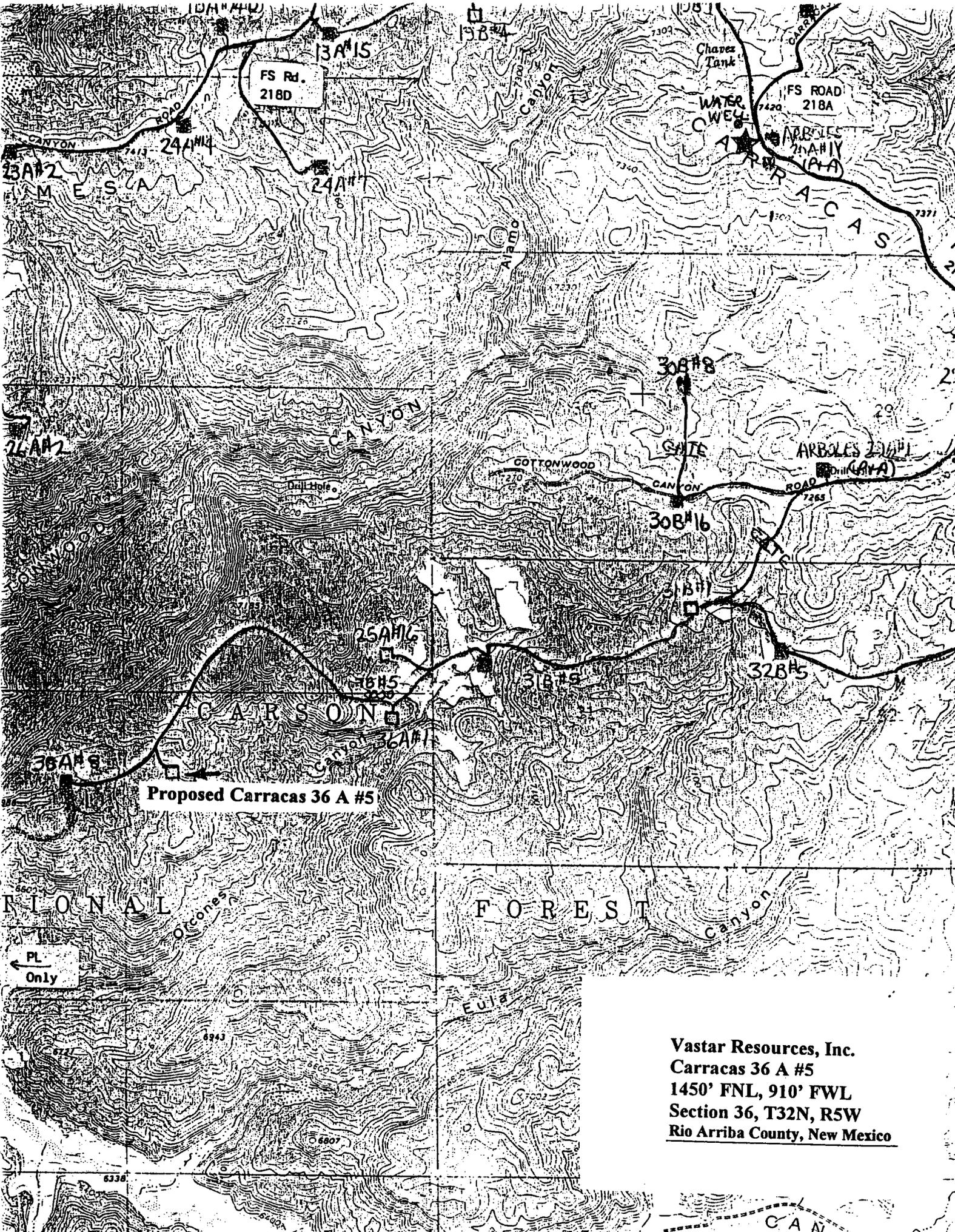
Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Name	<i>Charles W. Knight, Jr.</i> Charles W. Knight, Jr.
Position	Engineer
Company	Vastar Resources, Inc.
Date	June 12, 2000
Date Surveyed	September 1, 1988
Registered Professional Engineer and/or Land Surveyor	
<i>Edgar L. Risenhoover</i>	
Certificate No.	5979
Edgar L. Risenhoover, L.S.	



Proposed Carracas 36 A #5

Vastar Resources, Inc.
Carracas 36 A #5
1450' FNL, 910' FWL
Section 36, T32N, R5W
Rio Arriba County, New Mexico

PL
Only

CAN

TABLE OF CONTENTS

Carracas 36 A #5

DRILLING PLAN	PAGE
1. Formation Tops	1
2. Anticipated Depth of Oil, Gas, and Water	1
3. Blow Out Preventor Requirements	1
4. Casing and Cement Program	2
5. Mud Program	2
6. Testing, Logging, and Coring	3
7. Abnormal Pressures and H ₂ S Gas	3
8. Other Information and Notification Requirements	3
SURFACE USE PLAN	
1. Existing Roads	4
2. Access Roads to be Constructed or Reconstructed	4
3. Location of Wells within One Mile	5
4. Proposed Production Facilities	6
5. Water Supply	6
6. Construction Materials	6
7. Waste Disposal	6
8. Ancillary Facilities	7
9. Wellsite Layout	7
10. Reclamation	7
11. Surface/Mineral Ownership	8
12. Other Information	8
13. Certification	9

DRILLING PLAN

1. **FORMATION TOPS: The estimated tops of geologic markers as follows:**

Ojo Alamo	3057'
Kirkland	3147'
Fruitland	3476'

2. **ANTICIPATED DEPTHS OF OIL, GAS, AND WATER:**

Ojo Alamo	3057' - Water
Fruitland	3476' - Gas

All zones capable of oil, gas, or water production will be protected with 8 5/8" or 5 1/2" casing and cemented to surface.

3. **BLOWOUT PREVENTOR REQUIREMENTS:**

<u>Interval</u>	<u>Pressure Control Equipment</u>
Surface - 400'	No equipment necessary
400' - TD	10" 2000 psi Double Ram preventor, rotating head and choke manifold.

All BOPE will be hydraulically pressure tested when nipped up, after well control use and every thirty days. Pressure tests will be to the lesser of 2000 psi or to 70% of the minimum internal yield pressure of the casing.

Blind rams will be functioned on each trip out of the hole. All BOPE checks will be noted on the daily drilling reports.

Additional BOPE equipment includes a kelly cock, FO safety valve and an inside BOP.

SEE ATTACHED BOP DIAGRAM

Vastar Resources, Inc.
 Carracas 36 A #5
 1450' FNL, 910' FWL
 Sec 36, T32N, R5W
 Rio Arriba County, New Mexico

4. CASING AND CEMENTING PROGRAM:

The proposed casing program will be as follows:

<u>Hole Section</u>	<u>Hole Size</u>	<u>Interval</u>	<u>Casing Size</u>	<u>Casing Specs</u>
Surface	12-1/4"	Surface to 400'	8-5/8"	24# J-55 STC
Production	7-7/8"	400' to 3740'	5-1/2"	17# J-55 LTC

<u>Hole Section</u>	<u>Slurries</u>
Surface	300 sx Class B with 3% CaCl ₂ & 1/4 lb/sk CF (354 cu. ft., 1.18 yield)
Production	Lead 800 sx 35:65 Class B:poz + 5#/sx Gilsonite + 1/4 lb/sk CF (1592 cu. ft., 1.99 yield) Tail 100 sx 50:50 Class B:poz + 5#/sx Gilsonite + 0.4% FLA + 1/4 lb/sk CF (138 cu. ft., 1.38 yield)

5. MUD PROGRAM: The proposed circulating mediums to be employed in drilling are as follows:

<u>Depth</u>	<u>Mud Type</u>	<u>Density</u>	<u>Funnel Vis</u>	<u>Fluid Loss</u>
Surface to 400'	Spud Mud	8.3 to 9.5 ppg	30 to 60	No Control
400' to 3100'	Water	8.3 to 8.7 ppg	28 to 35	No Control
3100' to TD	LSND	8.7 to 9.2 ppg	35 to 45	≤ 20 cc

Vastar Resources, Inc.
Carracas 36 A #5
1450' FNL, 910' FWL
Sec 36, T32N, R5W
Rio Arriba County, New Mexico

Page 3

6. **TESTING, LOGGING, AND CORING:** The anticipated type and amount of testing, logging, and coring are as follows:

- a. Drill stem tests are not anticipated.
- b. The electric wireline logging program will be as follows:

Temperature survey if cement does not circulate.
Cased hole GR/CCL/CNL
- c. Mud logging: 3100' to TD.
- d. Coring program: No cores are anticipated.

7. **ABNORMAL PRESSURES AND H₂S GAS:**

No abnormal conditions are anticipated during the drilling and completion of this well. Standard well control practices and equipment will be used for the duration of this well.

8. **OTHER INFORMATION & NOTIFICATION:**

- a. Vastar Resources, Inc. is operating under our United Pacific national bond on file with the BLM. That BLM bond number is ES 0309.
- b. Construction operations are planned to start pending approval of the APD. Location preparation is estimated to take 2 to 3 days. The drilling activity should take 6 days. The drilling rig may be used for the completion portion of the well. The completion activities are anticipated to take 9 days. Total duration of activities preparing this well to produce should take an estimated 23 days.
- c. In the event of an emergency, contact the following:

Charlie Knight
Project Engineer
(505) 599-4308 (office)
(505) 599-4338 (fax)
(505) 330-9074 (cell)

Dave Reid
Project Engineer
(281) 584-3702 (office)
(281) 584-6810 (fax)
(281) 844-0352 (cell)

Vastar Resources, Inc.
Carracas 36 A #5
1450' FNL, 910' FWL
Sec 36, T32N, R5W
Rio Arriba County, New Mexico

Page 4

SURFACE USE PLAN

1. EXISTING ROADS:

- a. The proposed well site is located about 40 miles east-northeast of Bloomfield, New Mexico (this distance is direct and not by road). See attached USGS Topographic orientation map and offset well map for reference.
- b. Road Directions to the location are as follows:
From Bloomfield, NM: Go east on Hwy 64 about 48 miles to the 114-1/2 mile marker and turn left on Forest Road 310. Go north on FR 310 for 18.7 miles at which point the road becomes FR 218. Continue northward for another 4.8 miles to a Y in the road and take the left fork which will be FR 218C. Go west-southwest on FR 218C for 3.7 miles and turn left onto access road and on to Carracas 36 A #5 well site.
- c. For location of existing access roads within a 2 mile radius, see attached maps.
- d. Improvement to the existing access will not be necessary.
- e. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- f. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.

2. ACCESS ROADS TO BE CONSTRUCTED OR RECONSTRUCTED:

A new lease road will not be required since well location is located at the end of an existing road.

Vastar Resources, Inc.
Carracas 36 A #5
1450' FNL, 910' FWL
Sec 36, T32N, R5W
Rio Arriba County, New Mexico

3. **LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS OF THE PROPOSED LOCATION :**

Reference attached maps for the location of offsetting wells below:

a. Producing wells -

<u>T32N, R5W</u>	<u>Well #</u>	<u>Producing Formation</u>
Section 35	Carracas 35 A #8	Fruitland Coal

b. Drilling Wells - none

c. Plugged Wells - none

d. Dry Holes - none

Vastar Resources, Inc.
Carracas 36 A #5
1450' FNL, 910' FWL
Sec 36, T32N, R5W
Rio Arriba County, New Mexico

Page 6

4. **LOCATION OF TANK BATTERIES AND PRODUCTION FACILITIES:**

Production facilities will be installed as per the attached facilities diagram. The production equipment to be utilized will be a separator, water tank, and a gas meter run.

5. **LOCATION AND TYPE OF WATER SUPPLY:**

- a. All water needed for drilling purposes will be fresh water purchased from commercial sources and treated with Biocide as needed.
- b. No water well is to be drilled on this lease.

6. **SOURCE OF CONSTRUCTION MATERIAL:**

- a. Surface and subsoil materials will be hauled in from the immediate area.
- b. Any gravel used will be obtained from a commercial source and transported in on the designated access route.

7. **METHODS OF HANDLING WASTE DISPOSAL:**

- a. Drill Cuttings will be handled in the reserve pit and buried during reclamation operations. The pit will be fenced on three sides during drilling and the fourth side fenced upon removal of the drilling rig.
- b. Garbage and nonflammable waste produced during the drilling or testing will be handled in a trash bin.
- c. Toilet facilities will be provided for human waste.
- d. Drilling fluids will be handled in the reserve pit.

Vastar Resources, Inc.
Carracas 36 A #5
1450' FNL, 910' FWL
Sec 36, T32N, R5W
Rio Arriba County, New Mexico

Page 7

- e. Any fluids produced during drilling or production tests will be collected in a test tank. If a test tank is not available during drilling, fluids will be handled in the reserve pit. Any spills of oil, gas, salt water, or other noxious fluids will be cleaned-up and removed. If the well is productive, produced water will be disposed of on site for 90 days. After that time, application will be made for approval of permanent disposal methods.

8. **ANCILLARY FACILITIES:**

There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

9. **WELL SITE LAYOUT:**

- a. The reserve pit will be located on the south side of the location.
- b. Access to the wellpad will be along an existing lease road.
- c. The location of mud tanks, reserve pit, flare pit, and pipe racks will be as shown on the wellpad layout plat.
- d. See pad cross-section plat for cut and fill of the drill pad.

10. **PLANS FOR RESTORATION OF SURFACE:**

Producing Location

- a. Immediately upon completion of drilling operations, the location and surrounding area will be cleared of all unused tubulars, equipment, debris, materials, trash and junk not required for production and "back dragged" in readiness for completion operations.

Vastar Resources, Inc.
Carracas 36 A #5
1450' FNL, 910' FWL
Sec 36, T32N, R5W
Rio Arriba County, New Mexico

Page 8

- b. Immediately upon well completion, any stimulation fluids collected in the test tank will be disposed of. As this is a dry gas well, no production of liquid hydrocarbons is expected.
- c. Cuttings will be buried in the reserve pit. The pits and any portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours, fertilized, and seeded.

Plugged and Abandoned Well

- a. Dry hole reclamation will be coordinated with the BLM at the time of abandonment as to the physical requirements and timing & weather issues.

11. SURFACE & MINERAL OWNERSHIP:

Access roads All existing roads to the lease are maintained and owned by the County, State Highway Department, U.S. Forest Service, and/or the area operator road committee.

Wellsite & Road The lease road and the wellpad are located on surface owned by:

U.S. Forest Service
Jicarilla Ranger District
664 E. Broadway
Bloomfield, NM 87413

LEASE INFORMATION:

BLM Lease Number: NM 59704

12. OTHER INFORMATION:

- a. All vehicle traffic will be restricted to the access road, lease road, and well pad. Vastar will prohibit firearms & alcoholic beverages from the location and lease.

Vastar Resources, Inc.
Carracas 36 A #5
1450' FNL, 910' FWL
Sec 36, T32N, R5W
Rio Arriba County, New Mexico

Page 9

13. **LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION:**

Questions about this permit application or emergency notifications should be directed to:

Permit, Drilling, & Completion Matters

Vastar Resources, Inc.
1816 E. Mojave
Farmington, NM 87401
(505) 599-4300

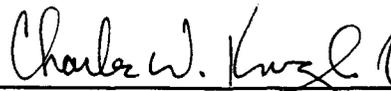
Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; and that the work associated with operations proposed herein will be performed by Vastar Resources, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

This statement is subject to the provisions of 18.U.S.C. 1001 for filing of a false statement.

6-12-00

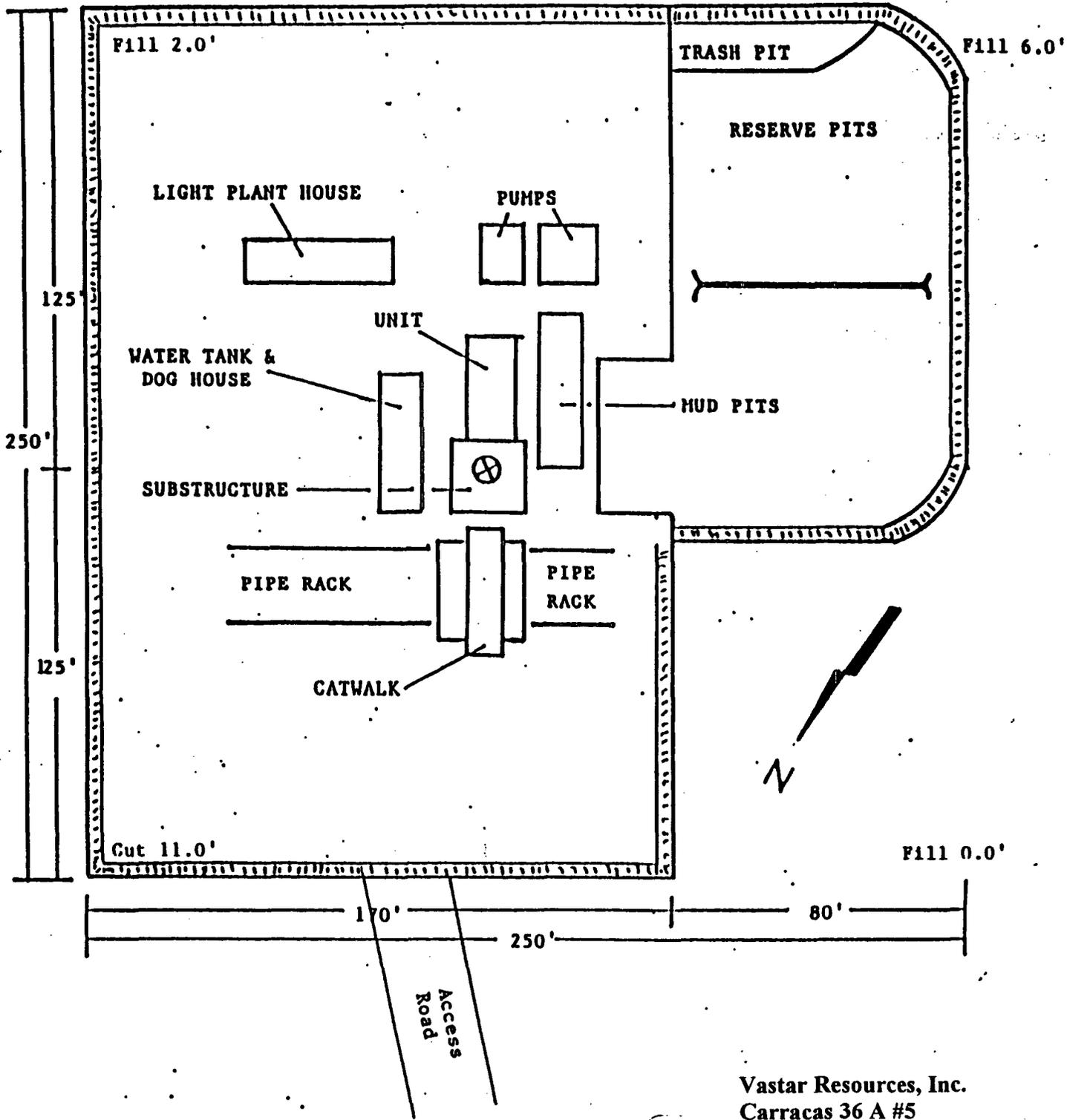
Date



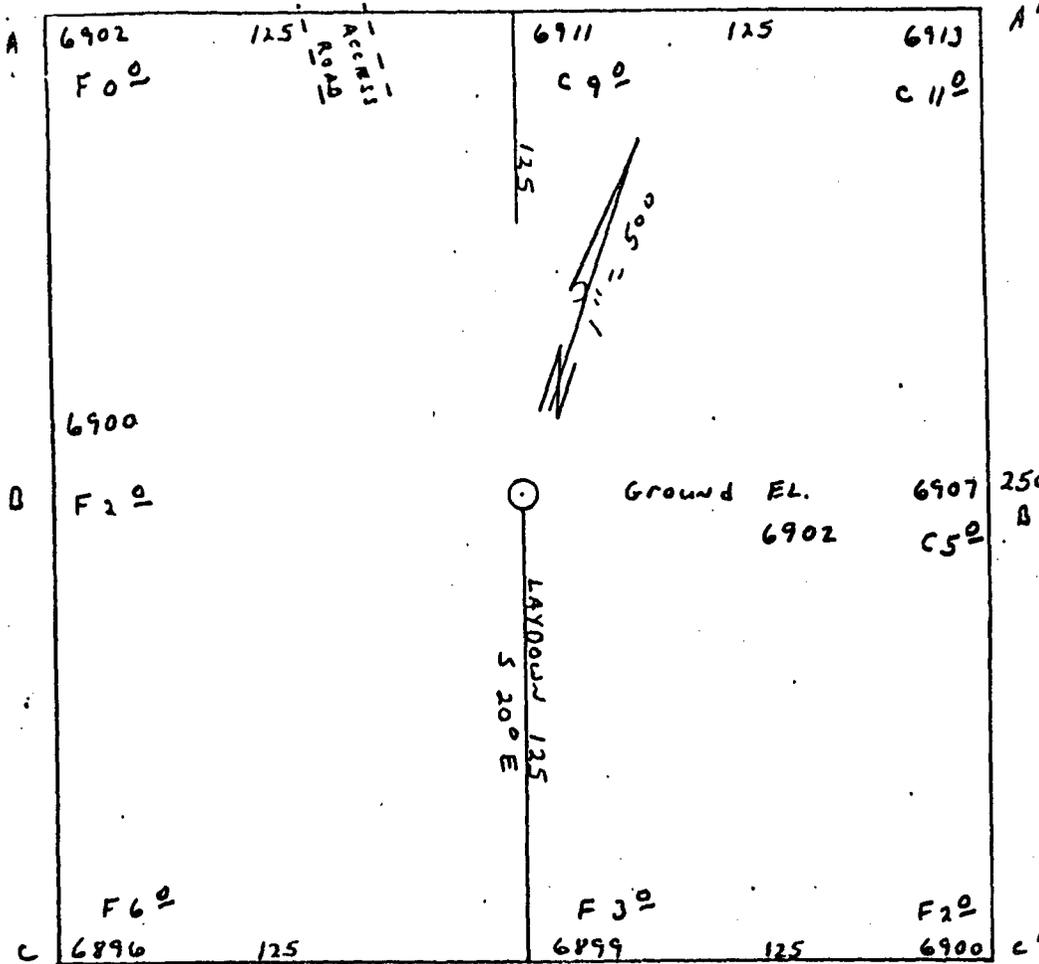
Charles W. Knight, Jr.

For: Joe Garcia
Vastar Resources, Inc.

TYPICAL LOCATION LAYOUT FOR FRUITLAND WELL



Vastar Resources, Inc.
Carracas 36 A #5
1450' FNL, 910' FWL
Section 36, T32N, R5W
Rio Arriba County, New Mexico



Vastar Resources, Inc.
OPERATOR

Carracas 36 A #5
WELL NAME & NO.

1450' F/NL 910' F/NL
FOOTAGES

36 32N 5W
SEC. TWP. RGE.

Rio Arriba, NM
COUNTY

September 10, 1988
DATE

A	6910				
	6900				6902
A'					

HORZ 1" = 100'
 VERT 1" = 30'

B	6910				
	6900				6902
B'					

C					
	6900				6902
	6890				
C'					

Freighter Energy
Arboles

29
Technigas Inc
Arboles-A

30

R4W

32

24

R5W

Proposed location
for CU 36 A #1

25

Proposed location
for CU 25 A #16

36

23

Belco Pet

26

Carracas Mesa

P₁, Carracas Unit
35 A #8

35

Proposed location

Ind Inc.

Sebring 32.5 Unit

Schalk

Vastar Resources, Inc.
Carracas 36 A #5
1450' FNL, 910' FWL
Section 36, T32N, R5W
Rio Arriba County, New Mexico

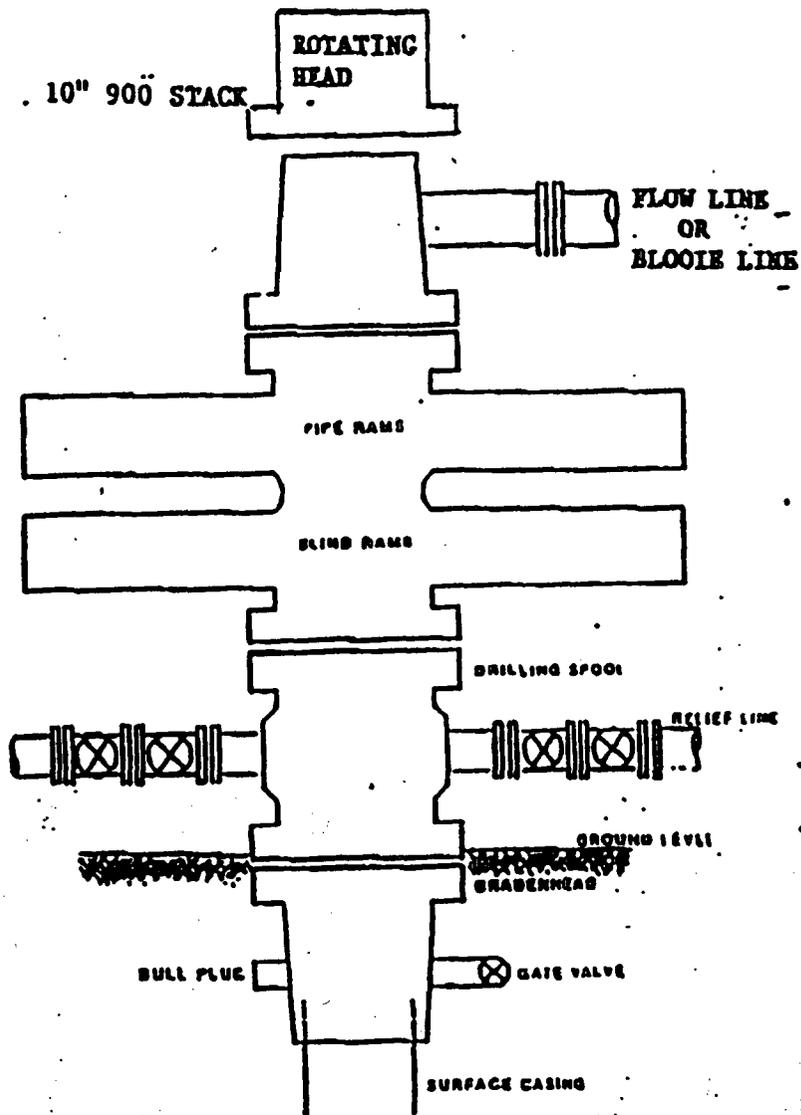
6

T31N

T32N

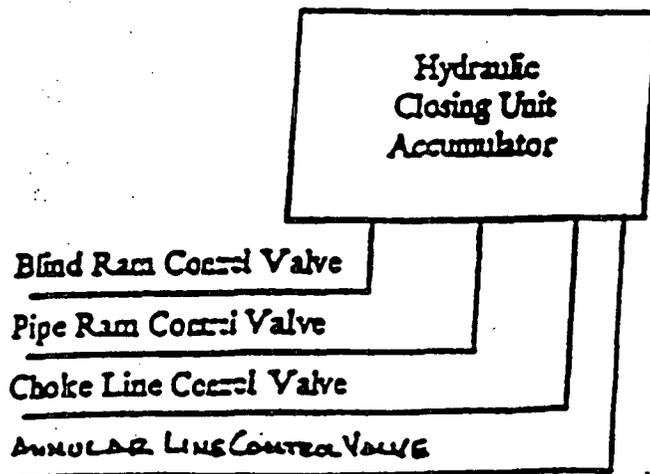
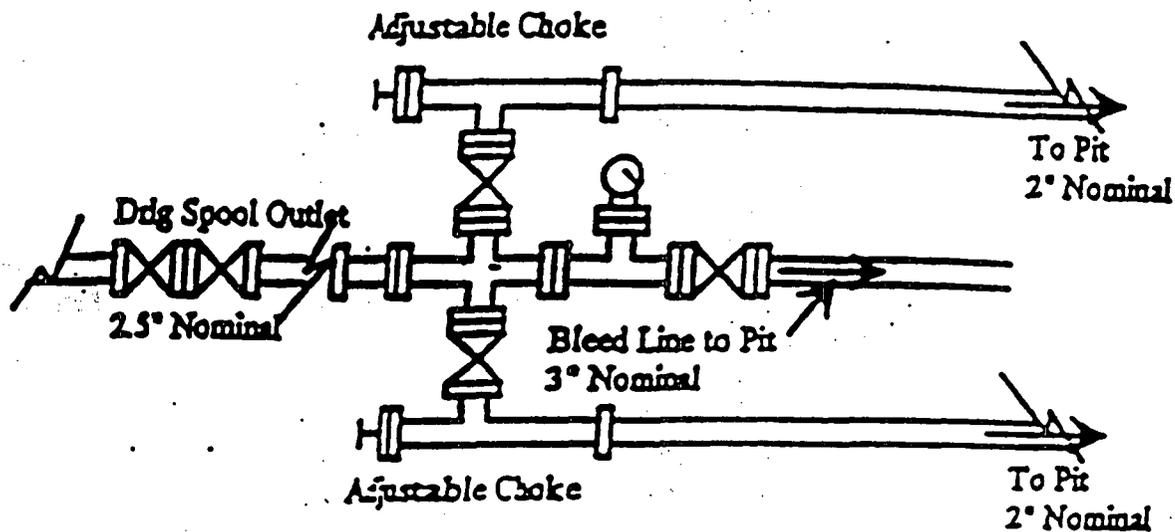
D2

Figure #1 (BOP)



Series 800 double gate BOP
Mod at 3000 psi working pressure

Choke Manifold and Accumulator Schematic



Facilities Layout Diagram

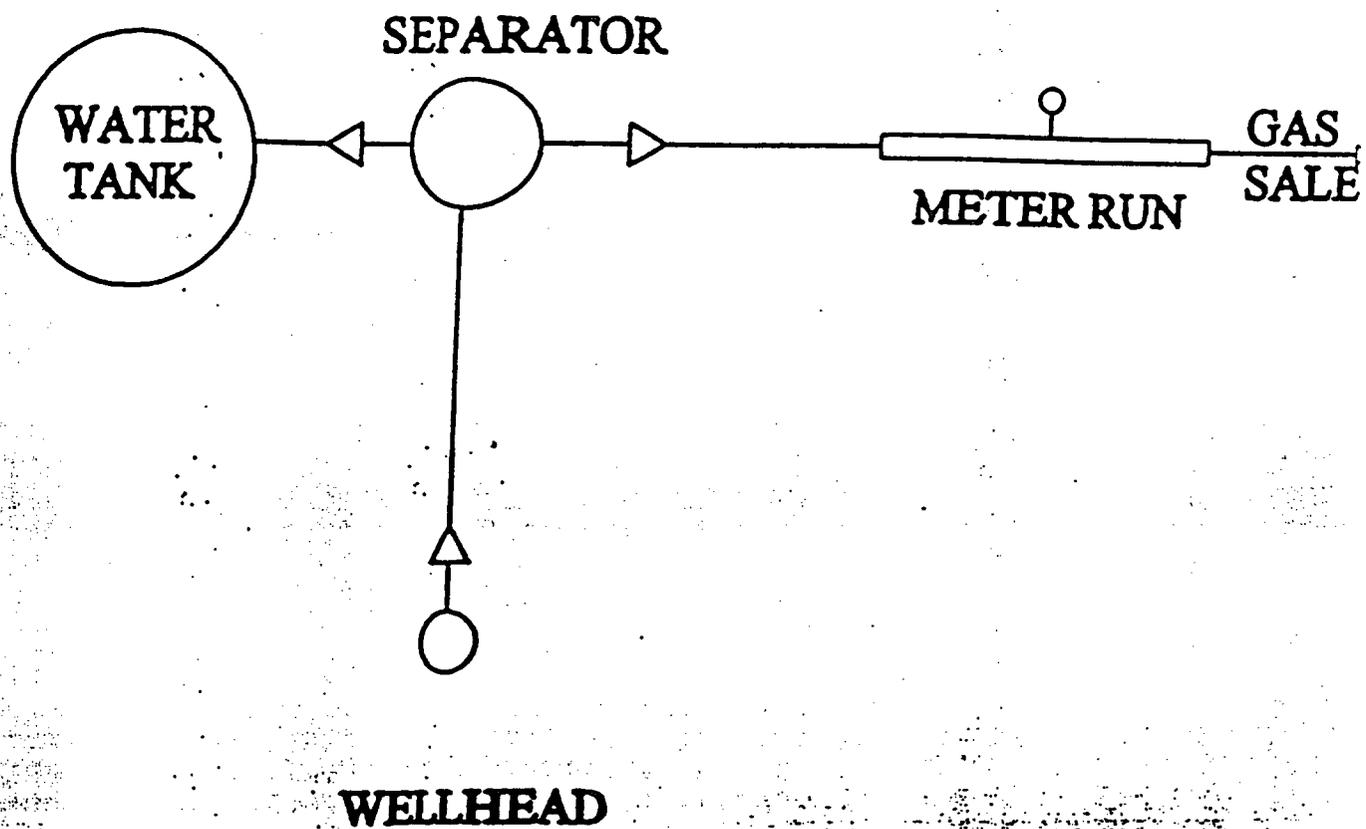


Exhibit D

Attached to Request for Administrative Approval of an Unorthodox Location for Vastar's Carracas 36 A #5 Well in W2 Section 36, T32N-R5W, NMPM, Rio Arriba County, New Mexico

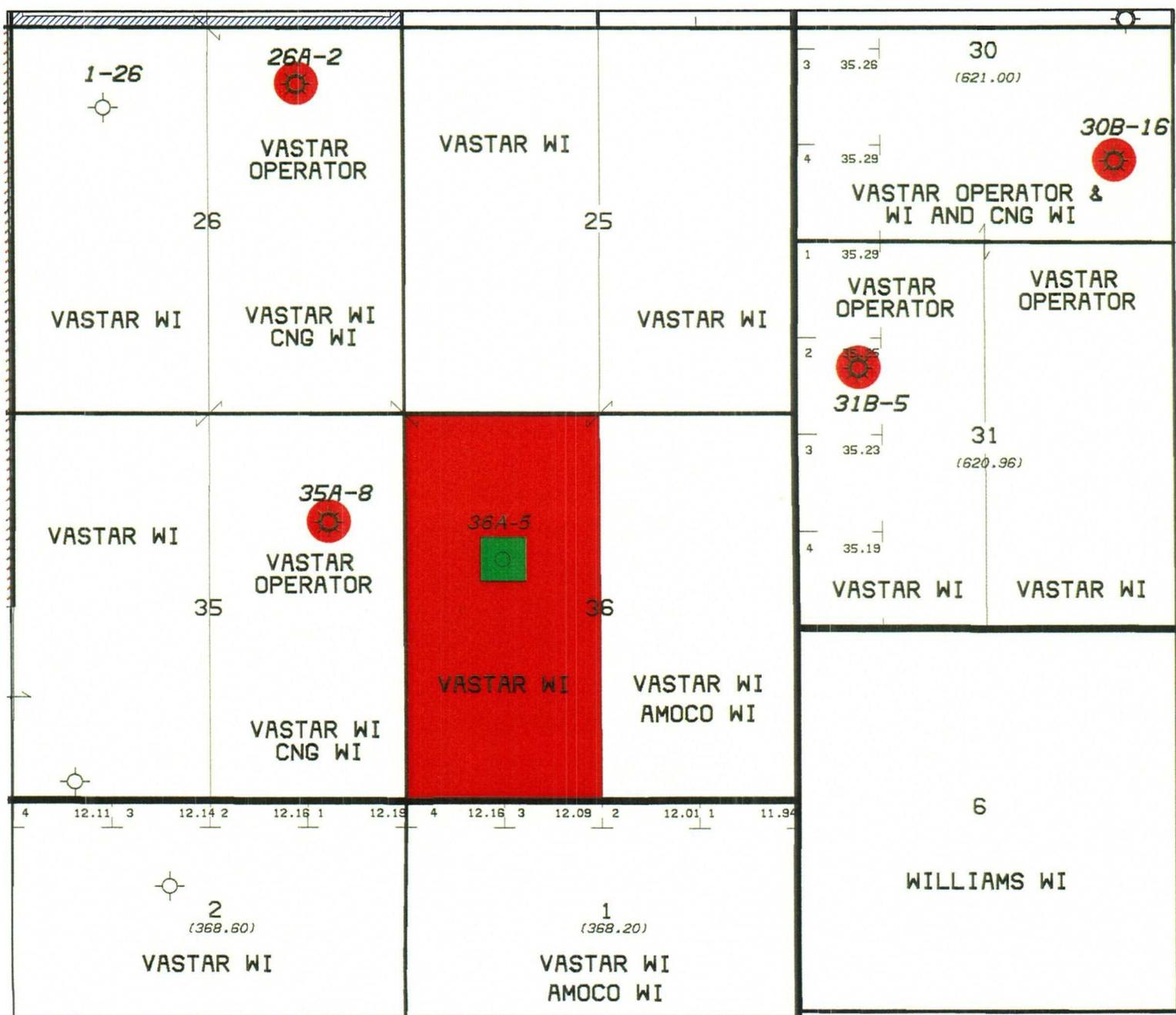


Exhibit E

Attached to Request for Administrative Approval of an
Unorthodox Location for Vastar's Carracas 36 A #5 Well in W2
Section 36, T32N-R5W, NMPM, Rio Arriba County, New Mexico

List of Affected Parties

CNG Producing Company
Stephen E. Case, CPL
16945 Northchase Drive – Suite 1750
Houston, Texas 77060
(281) 873-1574

Amoco Production Company
Max K. Eddington, CPL/ESA
Post Office Box 3092
Houston, Texas 77253-3092
(281) 366-3430

Bureau of Land Management
Farmington Resource Area
Authorized Officer
1235 La Plata Highway – Suite A
Farmington, New Mexico 87401

NMOCD – Aztec District Office
1000 Rio Brazos Road
Aztec, New Mexico 87410

P 066 862 333

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

JUN 19 2000

Sent to CNG Resources -Stephen Case	
Street & Number 16945 Northchase Dr - Suite 1750	
Post Office, State, & ZIP Code Houston TX 77060	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

Michael Rodgers, Room 1400

Fold at line over top of envelope to the right of the return address

CERTIFIED

P 066 862 333

MAIL

<p>SENDER:</p> <ul style="list-style-type: none"> Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that we can return this card to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered. 	<p>I also wish to receive the following services (for an extra fee):</p> <p>1. <input type="checkbox"/> Addressee's Address</p> <p>2. <input type="checkbox"/> Restricted Delivery</p> <p>Consult postmaster for fee.</p>
	<p>3. Article Addressed to:</p> <p>CNG RESOURCES INC STEPHEN CASE, LANDMAN 16945 NORTHCHASE DR - SUITE 1750 HOUSTON TX 77060</p>
<p>5. Received By: (Print Name)</p>	<p>8. Addressee's Address (Only if requested and fee is paid)</p>
<p>6. Signature: (Addressee or Agent)</p> <p>X</p>	

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.



Vastar Resources, Inc.

Joint Ventures and Land

15375 Memorial Drive
Houston Texas 77079
281 584-6000

June 19, 2000

**By USPS Certified Mail
With Return Receipt
P 066 862 333**

CNG Resources, Inc.
Stephen Case, Landman
16945 Northchase Drive – Suite 1750
Houston, Texas 77060

Re: Application of Vastar Resources, Inc. for Administrative Approval of an Unorthodox Well Location for its Carracas 36 A Well No. 5, to be located 1,450 feet from the North line and 910 feet from the West line of Section 36, Township 32 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico

Gentlemen:

Notice is hereby given of Vastar Resources, Inc.'s application to the NMOCD for an Unorthodox Fruitland Coal Well Location for the captioned well. A copy of Vastar's application is enclosed. In accordance with NMOCD Rule 1206(A)(5) an objection to this application must be filed in writing within twenty days from the date this notice was sent.

By the enclosed Waiver, Vastar requests your company's waiver of its right to protest the application and the twenty-day period during which it might file a written protest.

Very truly yours,

Michael Rodgers, CPL

Direct Line: (281) 584-3230
Fax: (281) 584-6370
E-mail: mrodger@vastar.com

Enclosure



Vastar Resources, Inc.

Joint Ventures and Land

15375 Memorial Drive
Houston Texas 77079
281 584-6000

June 19, 2000

CNG Resources, Inc.
Stephen Case, Landman
16945 Northchase Drive – Suite 1750
Houston, Texas 77060

Re: Application of Vastar Resources, Inc. for Administrative Approval of an Unorthodox Well Location for its Carracas 36 A Well No. 5, to be located 1,450 feet from the North line and 910 feet from the West line of Section 36, Township 32 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico

Gentlemen:

Notice has been given of Vastar Resources, Inc.'s application to the NMOCD for an Unorthodox Fruitland Coal Well Location for the captioned well. In order to facilitate the application and drilling of this well, Vastar requests your company's waiver of its right to protest the application and the twenty-day period during which it might file a written protest.

If CNG Resources, Inc. is willing to waive its right to protest the application, please so indicate by completing the waiver below and forwarding the signed original of this request to the Oil Conservation, Division of the New Mexico Department of Energy, Attention: Mr. Michael Stogner, 2040 South Pacheco Street, Santa Fe, New Mexico 87505. Please forward a copy of this signed waiver to the undersigned at the letterhead address.

Very truly yours,

Michael Rodgers, CPL

Direct Line: (281) 584-3230

Fax: (281) 584-6370

This _____ day of June, 2000, CNG Resources, Inc. hereby waives its right to protest Vastar's application for an unorthodox location for the above referenced Fruitland Coal well.

Title: _____

P 066 862 334

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to AMOCO PROD CO - MAX EDDINGTON	
Street & Number PO BOX 3092	
Post Office, State, & ZIP Code HOUSTON TX 77253-3092	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

Michael Rodgers, Room 1400

JUN 19 2000

Fold at line over top of envelope to the right of the return address

CERTIFIED

P 066 862 334

MAIL

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

AMOCO PRODUCTION COMPANY
MAX K EDDINGTON
POST OFFICE BOX 3092
HOUSTON TX 77253-3092

4a. Article Number

P 066 862 334

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.



Vastar Resources, Inc.

Joint Ventures and Land

15375 Memorial Drive
Houston Texas 77079
281 584-6000

June 19, 2000

**By USPS Certified Mail
With Return Receipt
P 066 862 334**

Amoco Production Company
Max K. Eddington, CPL/ESA
Post Office Box 3092
Houston, Texas 77253-3092

Re: Application of Vastar Resources, Inc. for Administrative Approval of an Unorthodox Well Location for its Carracas 36 A Well No. 5, to be located 1,450 feet from the North line and 910 feet from the West line of Section 36, Township 32 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico

Gentlemen:

Notice is hereby given of Vastar Resources, Inc.'s application to the NMOCD for an Unorthodox Fruitland Coal Well Location for the captioned well. A copy of Vastar's application is enclosed. In accordance with NMOCD Rule 1206(A)(5) an objection to this application must be filed in writing within twenty days from the date this notice was sent.

By the enclosed Waiver, Vastar requests your company's waiver of its right to protest the application and the twenty-day period during which it might file a written protest.

Very truly yours,

Michael Rodgers, CPL

Direct Line: (281) 584-3230
Fax: (281) 584-6370
E-mail: mrodger@vastar.com

Enclosure



Vastar Resources, Inc.

Joint Ventures and Land

15375 Memorial Drive
Houston Texas 77079
281 584-6000

June 19, 2000

Amoco Production Company
Max K. Eddington, CPL/ESA
Post Office Box 3092
Houston, Texas 77253-3092

Re: Application of Vastar Resources, Inc. for Administrative Approval of an Unorthodox Well Location for its Carracas 36 A Well No. 5, to be located 1,450 feet from the North line and 910 feet from the West line of Section 36, Township 32 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico

Gentlemen:

Notice has been given of Vastar Resources, Inc.'s application to the NMOCD for an Unorthodox Fruitland Coal Well Location for the captioned well. In order to facilitate the application and drilling of this well, Vastar requests your company's waiver of its right to protest the application and the twenty-day period during which it might file a written protest.

If Amoco Production Company is willing to waive its right to protest the application, please so indicate by completing the waiver below and forwarding the signed original of this request to the Oil Conservation, Division of the New Mexico Department of Energy, Attention: Mr. Michael Stogner, 2040 South Pacheco Street, Santa Fe, New Mexico 87505. Please forward a copy of this signed waiver to the undersigned at the letterhead address.

Very truly yours,

Michael Rodgers, CPL

Direct Line: (281) 584-3230

Fax: (281) 584-6370

This _____ day of June, 2000, Amoco Production Company hereby waives its right to protest Vastar's application for an unorthodox location for the above referenced Fruitland Coal well.

Title: _____



Vastar Resources, Inc.

Joint Ventures and Land

15375 Memorial Drive
Houston Texas 77079
281 584-6000

June 19, 2000

Bureau of Land Management
Farmington Resource Area
Authorized Officer
1235 La Plata Highway – Suite A
Farmington, New Mexico 87401

NMOCD – Aztec District Office
1000 Rio Brazos Road
Aztec, New Mexico 87410

Re: Applications of Vastar Resources, Inc. for Administrative Approval of Unorthodox Fruitland Coal Well Locations in Carracas Canyon Area, Rio Arriba County, New Mexico

Gentlemen:

Enclosed for your records are copies of Vastar Resources, Inc.'s applications to the NMOCD in Santa Fe for Unorthodox Fruitland Coal Well Locations for the following wells.

Carracas 19 B Well No. 4
Carracas 25 A Well No. 16
Carracas 2 A Well No. 11 in a non-standard 368.6-acre spacing unit
Carracas 36 A Well No. 5

Very truly yours,

Michael Rodgers, CPL

Direct Line: (281) 584-3230
Fax: (281) 584-6370
E-mail: mrodger@vastar.com

Enclosures