



SUSPENSE

ENGINEER

LOGGED IN

TYPE

APP NO.

12/2/02

KW

NSL

233730679

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505

ABOVE THIS LINE FOR DIVISION USE ONLY

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication
NSL NSP SD

Check One Only for [B] or [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

[D] Other: Specify _____

[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] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

BRIAN WOOD
(505) 466-8120
FAX 466-9682

CONSULTANT

11-29-02

e-mail Address

brian@permitswest.com

REQUEST FOR ADMINISTRATIVE APPROVAL FOR NON-STANDARD LOCATION
FOR MARKWEST RESOURCES, INC.

SCOTT FEDERAL 232 WELL

1710' FSL & 90' FEL SEC. 23, T. 27 N., R. 11 W., SAN JUAN COUNTY, NM

I. The well is on BLM surface and a BLM oil and gas lease (NMSF-078089). The proposed location is non-standard for the Basin Fruitland coal gas. A standard location must be at least 660' from the quarter line. This well is staked 570' further east than is standard. (Closest standard location would be 1710' FNL and 660' FEL.) The APD is attached (EXHIBIT A).

II. A C-102 showing the well location and pro ration unit (E2 for the Basin Fruitland coal gas) is attached (EXHIBIT B). The lease (2,560 acres) is shown as a solid line on the attached (EXHIBIT C) East Fork Kutz Canyon USGS topo map. The well encroaches on the W2 Section 24 Basin Fruitland coal gas spacing unit which is dedicated to MarkWest's existing Scott Federal #16 well (1520' FSL & 1120' FWL 24-27n-11w) which is 1,224' east. (The closest non-MarkWest Fruitland coal gas well is Burlington's Douthit Federal 261 which is 3,374' southwest at 1000' FNL & 2100' FEL 26-27n-11w.)

III. According to NM Oil Conservation Division records reviewed in their Santa Fe office on September 13, 2002; the closest Fruitland coal gas producer is MarkWest's Federal Scott #16 well which is 1,224' east at 1520' FSL & 1120' FWL 24-27n-11w. A copy of the East Fork Kutz Canyon 7.5' USGS map is attached (EXHIBIT D) showing the proposed well site, Fruitland spacing units (thin solid lines), and lease (thick solid line including all of Sections 22 & 23, west half of Section 24, all of Section 25, and west half Section 36). There is only one lease within a minimum 1,710' radius. Registered letters were sent on November 29, 2002 to all of the offset interest owners. Copies of the postal receipts and letters are attached.

IV. A copy of the East Fork Kutz Canyon USGS map is attached (EXHIBIT E). The proposed well site is marked. Pro ration unit (dashed outline) for the Basin Fruitland coal gas is the 320.00 acre east half of Section 23, Township 27 North, Range 11 West, NMPM, San Juan County, NM.

V. MarkWest selected its location due to topography. The drilling window is in a dissected badland. The well was originally staked at 975' FSL & 845' FEL. This was rejected by BLM (Roger Herrera & Bill Liess) due to the steep road. It was then moved to the now proposed location under BLM's direction. Even after the move, there is still 19' of cut and 23' of fill on the pad at the proposed non-standard location. See attached (EXHIBIT F) plan and profile.

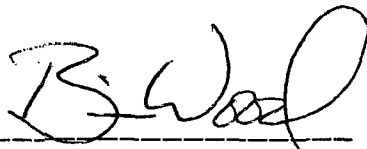
VI. No archaeology sites were found.

VII. See item V. above and attached map for a description of the surface conditions.

VIII. Directional drilling is not feasible because it is not cost effective.

IX. I hereby certify notice has been sent to the following lessees (see attached EXHIBIT G for lease map), lessors, operators of existing spacing units, or owners of undrilled leases which adjoin the applicant's spacing unit on one or more of the two sides or the single closest corner to the proposed well and that the information is current and correct.

Ashdla LLC
BLM
Burlington Resources Oil and Gas Company
Carbon Energy Corp.
Conoco Inc.
Dominion Oklahoma & Texas Exploration & Production Inc.
El Paso Natural Gas Co.
Energen Resources Corp.
Questar Exploration & Production Company
XTO Energy Inc.




Brian Wood, Consultant

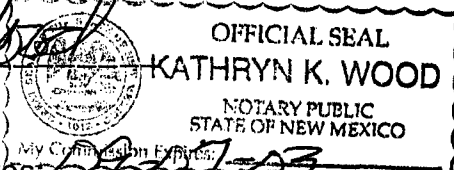
11-29-02

Date

STATE OF NEW MEXICO)
) SS:
COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this 29th day of November, 2002 by Brian Wood. Witness my hand and official seal.


Notary Public
My Commission Expires: 07-27-03



Business Address: 37 VERANO LOOP, SANTA FE, NM 87508

cc: Aztec OCD, Stowe

7000 1670 0012 5356 7998

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To Conoco
 Street, Apt. No.; or PO Box No. _____
 City, State, ZIP+4 _____

PS Form 3800, May 2000 See Reverse for Instructions

7000 1670 0012 5356 7943

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

DENVER, CO 80202

Postage	\$	0.60
Certified Fee		2.30
Return Receipt Fee (Endorsement Required)		1.75
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	4.65

Sent To Questar
 Street, Apt. No.; or PO Box No. _____
 City, State, ZIP+4 _____

PS Form 3800, May 2000 See Reverse for Instructions

7000 1670 0012 5356 8001

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To Burlington
 Street, Apt. No.; or PO Box No. _____
 City, State, ZIP+4 _____

PS Form 3800, May 2000 See Reverse for Instructions

7000 1670 0012 5356 7974

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To Dominion
 Street, Apt. No.; or PO Box No. _____
 City, State, ZIP+4 _____

PS Form 3800, May 2000 See Reverse for Instructions

7000 1670 0012 5356 7981

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

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Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

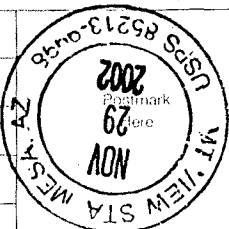
Sent To Carbon
 Street, Apt. No.; or PO Box No. _____
 City, State, ZIP+4 _____

PS Form 3800, May 2000 See Reverse for Instructions

7000 1670 0012 5356 7950

**U.S. Postal Service
CERTIFIED MAIL RECEIPT**
(Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To Energen

Street, Apt. No., or PO Box No. _____

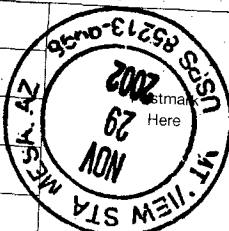
City, State, ZIP+4 _____

PS Form 3800, May 2000 See Reverse for Instructions

7000 1670 0012 5356 8018

**U.S. Postal Service
CERTIFIED MAIL RECEIPT**
(Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To Ashala

Street, Apt. No., or PO Box No. _____

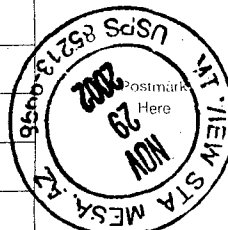
City, State, ZIP+4 _____

PS Form 3800, May 2000 See Reverse for Instructions

7000 1670 0012 5356 7936

**U.S. Postal Service
CERTIFIED MAIL RECEIPT**
(Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To XTO

Street, Apt. No., or PO Box No. _____

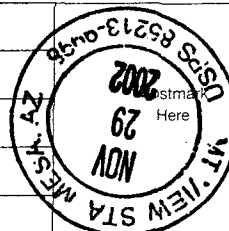
City, State, ZIP+4 _____

PS Form 3800, May 2000 See Reverse for Instructions

7000 1670 0012 5356 7967

**U.S. Postal Service
CERTIFIED MAIL RECEIPT**
(Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To El Paso

Street, Apt. No., or PO Box No. _____

City, State, ZIP+4 _____

PS Form 3800, May 2000 See Reverse for Instructions

7000 1670 0012 5356 8025

**U.S. Postal Service
CERTIFIED MAIL RECEIPT**
(Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To BLM

Street, Apt. No., or PO Box No. _____

City, State, ZIP+4 _____

PS Form 3800, May 2000 See Reverse for Instructions

November 27, 2002

Ashdla LLC
245 Park Ave., 2nd Floor
New York, NY 10167

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

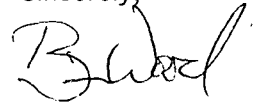
MarkWest Resources, Inc. is applying to drill its Scott Federal #232 well. The minimum state distance for a Fruitland coal gas well is 660' from a quarter section line. The proposed well is 570' further east than is standard. Thus, it is a non-standard location. The NSL is due to topography (see attached map). It is 1,710' from the closest lease boundary.

Well Name: Scott Federal #232 Total Depth: 2,100'
Proposed NSL Producing Zone: Basin Fruitland coal
NSL Acreage Dedication: 320.00 ac. (E2 Sec. 23)
Location: 1710' FSL & 90' FEL Sec. 23, T. 27 N., R. 11 W.,
San Juan County, NM on Federal lease NMSF-078089
Approximate Location: ~11 air miles south-southeast of Bloomfield, NM
Applicant Name: MarkWest Resources, Inc. (303) 290-8700
Applicant's Address: 155 Inverness Dr. W, Suite 200, Englewood, Co. 80112

Submittal Information: Application for a non-standard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

November 27, 2002

Roger Herrera
BLM
1235 LaPlata Highway
Farmington, NM 87401

Dear Roger,

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

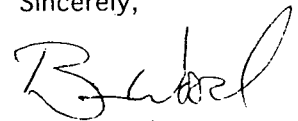
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Please call me if you have any questions.

Sincerely,


Brian Wood

November 27, 2002

Van Goebel
Burlington Resources Oil and Gas Company
P. O. Box 4289
Farmington, NM 87499

Dear Van,

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

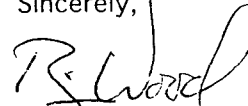
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Please call me if you have any questions.

Sincerely,


Brian Wood

November 27, 2002

Bill Franklin
Conoco Inc.
600 N. Dairy Ashford
Houston, Tx. 77079

Dear Bill,

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

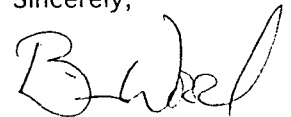
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Please call me if you have any questions.

Sincerely,


Brian Wood

November 27, 2002

Carbon Energy Corp.
1700 Broadway, Suite 1150
Denver, Co. 80290

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

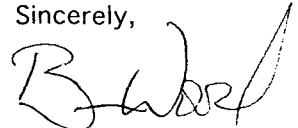
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Please call me if you have any questions.

Sincerely,


Brian Wood

November 27, 2002

Joe Hammond
Dominion Ok. & Tx. E & P Inc.
14000 Quail Springs Parkway, Suite 600
Oklahoma City, Ok. 73134-2600

Dear Joe,

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

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Well Name: Scott Federal #232 Total Depth: 2,100'

Proposed NSL Producing Zone: Basin Fruitland coal

NSL Acreage Dedication: 320.00 ac. (E2 Sec. 23)

Location: 1710' FSL & 90' FEL Sec. 23, T. 27 N., R. 11 W.,

San Juan County, NM on Federal lease NMSF-078089

Approximate Location: ~11 air miles south-southeast of Bloomfield, NM

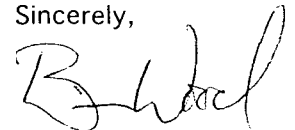
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Applicant's Address: 155 Inverness Dr. W, Suite 200, Englewood, Co. 80112

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Please call me if you have any questions.

Sincerely,



Brian Wood

November 27, 2002

El Paso Natural Gas Co.
P. O. Box 1087
Colorado Springs, Co. 80944

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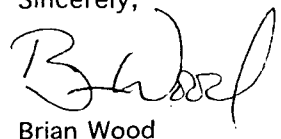
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San Juan County, NM on Federal lease NMSF-078089
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Applicant Name: MarkWest Resources, Inc. (303) 290-8700
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Please call me if you have any questions.

Sincerely,


Brian Wood

November 27, 2002

Energen Resources Corp.
2198 Bloomfield Highway.
Farmington, NM 87401-8108

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

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Proposed NSL Producing Zone: Basin Fruitland coal

NSL Acreage Dedication: 320.00 ac. (E2 Sec. 23)

Location: 1710' FSL & 90' FEL Sec. 23, T. 27 N., R. 11 W.,

San Juan County, NM on Federal lease NMSF-078089

Approximate Location: ~11 air miles south-southeast of Bloomfield, NM

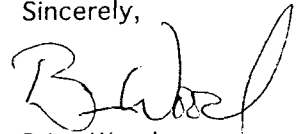
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Please call me if you have any questions.

Sincerely,


Brian Wood

November 27, 2002

Jane Seiler
Questar Expl. & Production Company
1331 17th St., Suite 800
Denver, Co. 80202

Dear Jane,

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

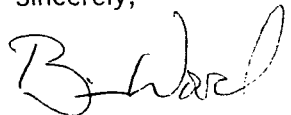
MarkWest Resources, Inc. is applying to drill its Scott Federal #232 well. The minimum state distance for a Fruitland coal gas well is 660' from a quarter section line. The proposed well is 570' further east than is standard. Thus, it is a non-standard location. The NSL is due to topography (see attached map). It is 1,710' from the closest lease boundary.

Well Name: Scott Federal #232 Total Depth: 2,100'
Proposed NSL Producing Zone: Basin Fruitland coal
NSL Acreage Dedication: 320.00 ac. (E2 Sec. 23)
Location: 1710' FSL & 90' FEL Sec. 23, T. 27 N., R. 11 W.,
San Juan County, NM on Federal lease NMSF-078089
Approximate Location: ~11 air miles south-southeast of Bloomfield, NM
Applicant Name: MarkWest Resources, Inc. (303) 290-8700
Applicant's Address: 155 Inverness Dr. W, Suite 200, Englewood, Co. 80112

Submittal Information: Application for a non-standard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,


Brian Wood

November 27, 2002

XTO Energy Inc.
2700 Farmington Ave., Bldg. K, #1
Farmington, NM 87401

Dear Julie,

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

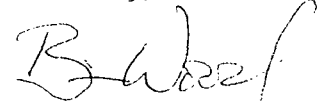
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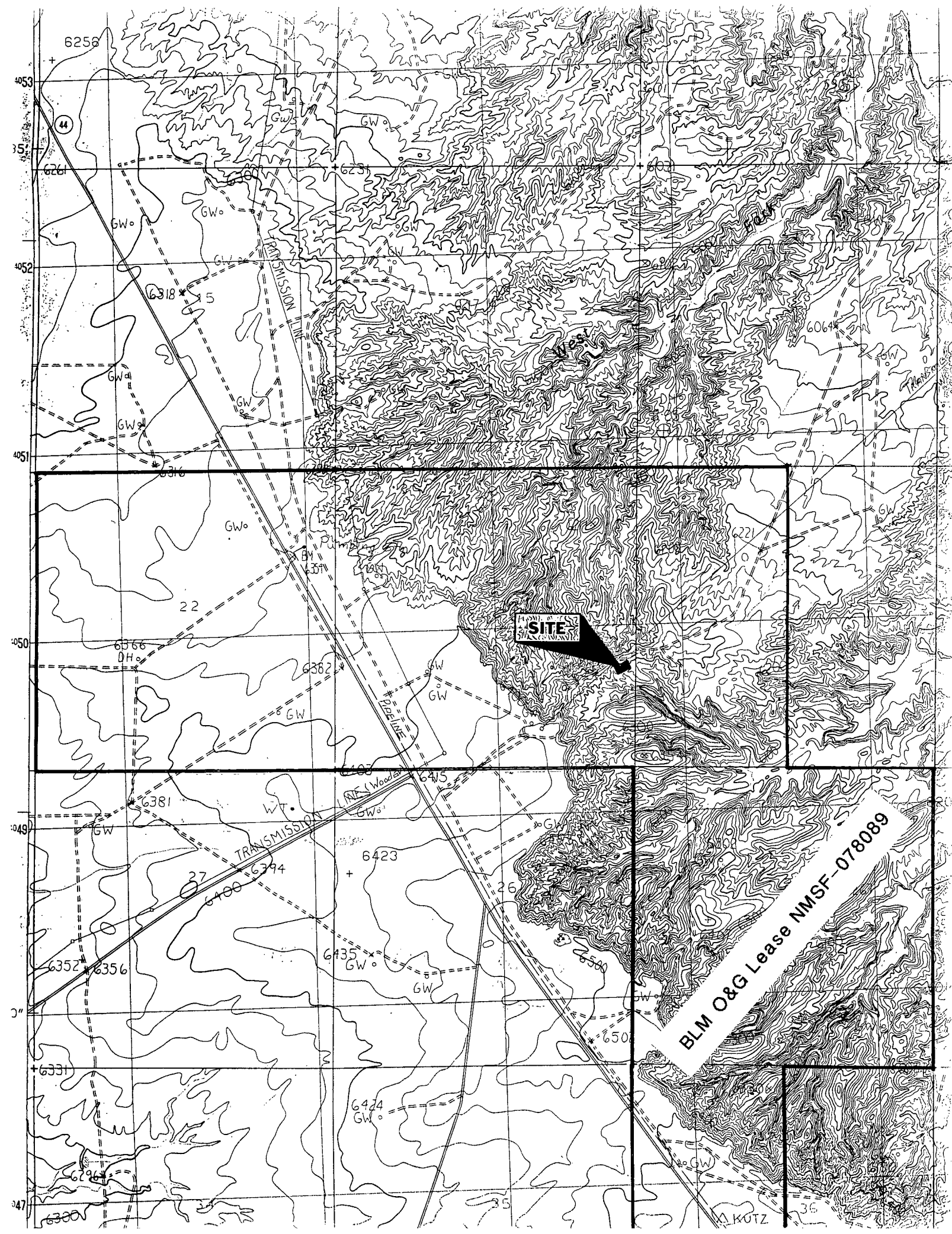
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Please call me if you have any questions.

Sincerely,


Brian Wood



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMSF-078089
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator MARKWEST RESOURCES, INC.		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 155 INVERNESS DR., SUITE 200 ENGLEWOOD, CO. 80112	3b. Phone No. (include area code) (303) 290-8700	8. Lease Name and Well No. SCOTT FEDERAL #232
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1710' FSL & 90' FEL At proposed prod. zone SAME		9. API Well No. 30-045-
14. Distance in miles and direction from nearest town or post office* 11 AIR MILES SSE OF BLOOMFIELD		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1710'		11. Sec., T., R., M., or Blk. and Survey or Area 23-27n-11w NMPM
16. No. of Acres in lease 2,560		12. County or Parish SAN JUAN
17. Spacing Unit dedicated to this well 320 ACRES (E2)		13. State NM
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1,086'		20. BLM/BIA Bond No. on file KA6084 (BLM - NATIONWIDE)
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,278' GL		22. Approximate date work will start* DECEMBER 19, 2002
		23. Estimated duration 2 WEEKS
24. Attachments		

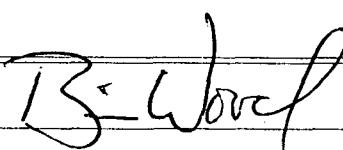
The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

Comments

On site inspection with Roger Herrera.
Archaeologist: CASA.

cc:BLM (&OCD), Pippin, Stowe

25. Signature 	Name (Printed/Typed) BRIAN WOOD	Date 7-22-02
Title CONSULTANT PHONE: 505 466-8120 FAX: 505 466-9682		
Approved by (Signature)	Name (Printed/Typed)	Date
	Office	

Application approval does not warrant or certify the the applicant holds 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, are attached.

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 any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

EXHIBIT A

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

DISTRICT II
811 South First, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-		*Pool Code 71629		*Pool Name BASIN FRUITLAND COAL	
*Property Code		*Property Name SCOTT FEDERAL			*Well Number 232
*OGRID No. 193195		*Operator Name MARKWEST RESOURCES, INC.			*Elevation 6278

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	23	27-N	11-W		1710'	SOUTH	90'	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320			Joint or Infill		Consolidation Code		Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	23	LAT. 36°33'29.5"N LONG. 107°57'52.5"W	FD WITNESS COR. OFST. 178.2' SOUTH	923'	1230'	90'	N 00-04-23 W 2633.4'	1710'	FD 2 1/2" GLO BC 1913	S 89-54-56 W 5281.6'	FD 2 1/2" GLO BC 1913	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <u>Brian Wood</u> Printed Name <u>BRIAN WOOD</u> Title <u>CONSULTANT</u> Date <u>JULY 21, 2002</u>	
												18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey <u>JULY 2002</u> Signature and Seal of Professional Surveyor: Certificate Number <u>14827</u>	

EXHIBIT A

MarkWest Resources, Inc.
Scott Federal 232
Surface: 1710' FSL & 90' FEL
Sec. 23, T. 27 N., R. 11 W.
San Juan County, New Mexico

PAGE 1

Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>Depth from GL</u>	<u>KB Depth</u>	<u>Elevation</u>
Nacimiento Fm	000'	5'	+6,278'
Ojo Alamo Ss	838'	825'	+5,440'
Kirtland Sh	958'	864'	+5,320'
Fruitland Coal	1,423'	1,317'	+4,855'
Pictured Cliffs Ss	1,898'	1,816'	+4,380'
Total Depth*	2,100'	6,482'	+4,178'

* all elevations reflect the ungraded ground level of 6,278'.

2. NOTABLE ZONES

<u>Gas or Oil Zones</u>	<u>Water Zones</u>	<u>Coal Zone</u>
Fruitland	Nacimiento	Fruitland
Pictured Cliffs	Ojo Alamo	
Gallup	Kirtland	
Dakota	Fruitland	

Water zones will be protected with casing, cement, and weighted mud. Fresh water found while drilling will be recorded. Oil or gas shows will be tested for commercial potential based on the geologist's recommendations.

3. PRESSURE CONTROL

been awarded, thus the exact BOP model to be used is not yet known. A typical 8" double ram 2,000 psi model is on PAGE 3.

BOP equipment and all accessories will meet or exceed BLM requirements in

EXHIBIT A

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS

MarkWest Resources, Inc.
Scott Federal 232
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San Juan County, New Mexico

PAGE 2

43 CFR Part 3160 for a 2000 psi system. A 2000 psi double ram hydraulic BOP will be used. Accumulator system capacity will be sufficient to close all BOPE with a 50% safety factor. Fill, kill, and choke manifold lines will be 2" screw connections. Accessories will include upper and lower Kelly cocks with handles, stabbing valve to fit drill pipe on floor at all times, string float at bit, 2000 psi choke manifold with 2" adjustable choke with screw connections, and pressure gauge. BOPs will be tested every 24 hours. Tests will be recorded on an I. A. D. C. log.

4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>Connection</u>	<u>GL Setting Depth</u>
11"	8-5/8"	24	K-55	New	ST & C	160'
6-1/4"	4-1/2"	10.5	K-55	New	ST & C	2,100'

Surface casing will be cemented to the surface with ≈ 118 cubic feet (≈ 100 sacks) Class B + 1/4 lb/sack cello-flake + 2% CaCl_2 . Yield = 1.18 cubic feet per sack. Weight = 15.6 pounds per gallon. Volume = 100% excess. A guide shoe and insert float will be used with 3 centralizers. W. O. C. = 12 hours. Surface casing will be tested to 500 psi for 30 minutes.

Production casing will be cemented to the surface. Total cement = 367 cubic feet. Volumes are calculated at 70% excess. If cement does not circulate to surface, then a temperature survey will be run to determine the actual cement top as needed. W. O. C. = 12 hours. Test to 3,800 psi.

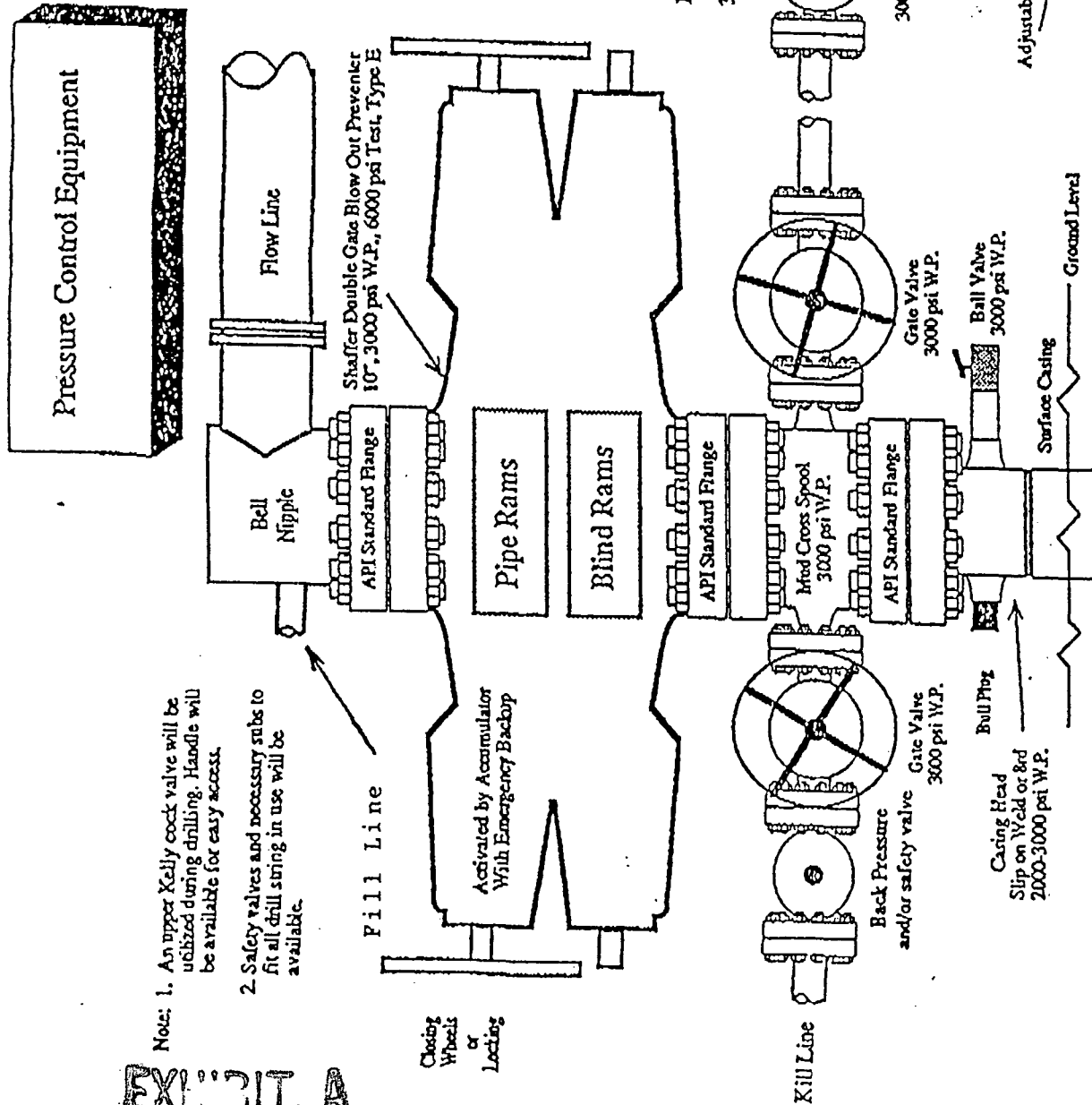
Lead cement = 290 cubic feet (≈ 141 sacks) Class B cement with 2% SM, 3 pounds per sack gilsonite + 1/4 pound per sack cello-flake. Yield = 2.06 cubic feet per sack. Weight = 12.5 pounds per gallon.

Tail cement = 77 cubic feet (≈ 50 sacks) Class B + 4% gel + 1/4#/sack cello-flake + 2% CaCl_2 . Yield = 1.55 cubic feet per sack. Weight = 14.5 #/gallon.

EXHIBIT A

EXHIBIT A

- Notes:
1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.
 2. Safety valves and necessary subs to fit all drill string in use will be available.



Minimum 2" Choke Line.
Minimum 2" Kill Line.
At Least One 2" Minimum Kill Line Valve.

Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

MarkWest Resources, Inc.
Scott Federal 232
Surface: 1710' FSL & 90' FEL
Sec. 23, T. 27 N., R. 11 W.
San Juan County, New Mexico

PAGE 4

Cementing equipment will include guide shoe, float collar and 10 centralizers (one each on the first five joints above the float and then five at 160' intervals starting at \approx 960').

5. MUD PROGRAM

<u>RANGE</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>
0' - 160'	Fresh-Spud	8.4
160' - TD	LSND	8.6

Lost circulation and absorption material will be on location.

6. CORING, TESTING, & LOGGING

No cores or drill stem tests are planned. Open hole logs will include GR, Neutron-Density, and Induction. The Neutron Density will be run from TD to \approx 1,000'. The other logs will be run from TD to the base of the surface casing shoe.

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be \approx 200 psi.

8. OTHER INFORMATION

The anticipated spud date is December 19, 2002. It is expected it will take \approx 6 days to drill and \approx 8 days to complete the well. Completion will start about one month after the spud and will include hydraulic fracturing.

EXHIBIT A

MarkWest Resources, Inc.
Scott Federal 232
Surface: 1710' FSL & 90' FEL
Sec. 23, T. 27 N., R. 11 W.
San Juan County, New Mexico

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Surface Use Plan

1. DIRECTIONS & EXISTING ROADS (See Pages 10 & 11)

From Bloomfield ...

Go SE 12 mi. on US 550/NM 44 to the equivalent of Milepost 140.7
Then turn left at the brown metal building and go NE 0.1 mi. on a dirt road
Then turn right and go SE 0.6 mi. on a dirt road behind the building
Then turn left and go NE 0.2 mi. on a dirt road to a well
Then turn right and go SE 0.3 mi. on a dirt road past a well
Then turn left and go downhill 0.5 mi. on a dirt road
Then turn right and go SW \approx 327' cross country to the well

Roads will be maintained to a standard at least equal to their present condition.

2. ROAD TO BE BUILT OR UPGRADED (See Pages 11 & 14)

Existing roads need no upgrading. About 327' of new road will be crowned and ditched with a 15' wide running surface. Maximum cut = 5'. Maximum fill = 10'. Maximum grade = 9%. Maximum disturbed width = 50'. Two 18" x 50' CMP culverts will be installed. No cattle guard or turn out is needed.

3. EXISTING WELLS (See Page 11)

There are twenty-four oil or gas wells and one water well within a mile radius according to NM Oil Conservation Division and NM Office of the State Engineer records in Santa Fe. There are no disposal or injection wells within a mile.

EXHIBIT A

MarkWest Resources, Inc.
Scott Federal 232
Surface: 1710' FSL & 90' FEL
Sec. 23, T. 27 N., R. 11 W.
San Juan County, New Mexico

PAGE 6

4. PROPOSED PRODUCTION FACILITIES (See Pages 11 & 14)

A two phase separator, ≈60 barrel fiberglass open top water tank, and meter run will be installed on the pad. A 712.3' long Schedule 40 API-5L Grade B coated steel ≈4" O. D. gas pipeline will be laid beside the roads to tie into an existing MarkWest gas line. It will be buried 36" deep. Wall thickness = 0.216". Maximum operating pressure = 200 psi. Test pressure = 1,250 psi. Test water will be discharged into the reserve pit. All surface equipment will be painted a flat juniper green color.

5. WATER SUPPLY

Water will be trucked from Bloomfield.

6. CONSTRUCTION MATERIALS & METHODS

NM One Call (1-800-321-ALERT) and BLM will be notified before construction starts. There is no topsoil. A diversion ditch will be cut on the northeast and northwest sides of the pad. South corner of the pad will rounded off to reduce the depth of fill. The east corner of the pad will be rounded to reduce the height of the cut. Trees and shrubs will be put in low spots below the pad to trap silt. A minimum 12 mil plastic liner will be installed in the reserve pit.

7. WASTE DISPOSAL

All trash will be placed in a portable trash cage. It will be hauled to the county landfill. There will be no trash burning. Once dry, contents of the reserve pit will be buried in place. Human waste will be disposed of in chemical toilets and hauled to an approved dump station.

EXHIBIT A

MarkWest Resources, Inc.
Scott Federal 232
Surface: 1710' FSL & 90' FEL
Sec. 23, T. 27 N., R. 11 W.
San Juan County, New Mexico

PAGE 7

8. ANCILLARY FACILITIES

There will be no air strips or camps. Camper trailers will be on location for the company man, tool pusher, or mud logger.

9. WELL SITE LAYOUT

See Pages 12 and 13 for depictions of the well pad, cross section, cut and fill diagram, reserve pit, trash cage, access onto the location, parking, living facilities, and rig orientation.

10. RECLAMATION

Reclamation starts once the reserve pit is dry. It usually takes a year for a reserve pit to fully evaporate, at which point it will be back filled. The pad and filled pit will be contoured to a natural appearance and disturbed areas ripped or harrowed. BLM "down south" (aka, dry or low mix or mix #2) seed mix (below) will be drilled at a depth and time to be determined by BLM.

4 pounds per acre western wheatgrass
2-1/2 pounds per acre Indian ricegrass
1-1/2 pound per acre blue grama grass
0.1 pound pr acre antelope bitter brush
1/4 pound per acre four wing salt bush
1 pound per acre small burnet

If broadcast, the rate will be increased as determined by BLM. A harrow or cable will be dragged over the area to assure seed cover. If the well is a producer, then the reserve pit, pipeline route, and any other areas not needed for work overs will be reclaimed as previously described.

EXHIBIT A

MarkWest Resources, Inc.
Scott Federal 232
Surface: 1710' FSL & 90' FEL
Sec. 23, T. 27 N., R. 11 W.
San Juan County, New Mexico

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11. SURFACE OWNER

All construction is on lease and on BLM.

12. OTHER INFORMATION

The nearest hospital is a 45 minute drive away in southwest Farmington.

13. REPRESENTATION

Anyone having questions concerning the APD should call:

Brian Wood, Consultant

Permits West, Inc.

37 Verano Loop

Santa Fe, NM 87508

(505) 466-8120

FAX: (505) 466-9682

Cellular: (505) 699-2276

Field representative will be:

Mike Pippin

or

Rex Lancaster

3104 N. Sullivan

(505) 325-1922

Farmington, NM 87401

Cellular: (505) 320-3075

(505) 327-4573 Cellular: (505) 330-0495

MarkWest Resources, Inc. has the necessary consents from the proper lease owners to conduct lease operations in conjunction with this well. Bond coverage pursuant to 43 CFR 3104 for lease activities and operations is being provided by MarkWest Resources, Inc.

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

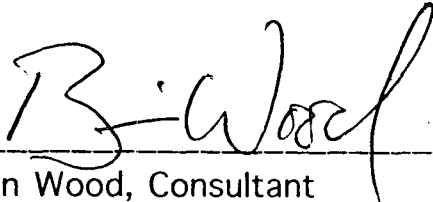
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PERMITS WEST INC.
PROVIDING PERMITS FOR LAND USERS

MarkWest Resources, Inc.
Scott Federal 232
Surface: 1710' FSL & 90' FEL
Sec. 23, T. 27 N., R. 11 W.
San Juan County, New Mexico

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conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by MarkWest 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 the filing of a false statement.



Brian Wood, Consultant

July 22, 2002
Date

EXHIBIT A

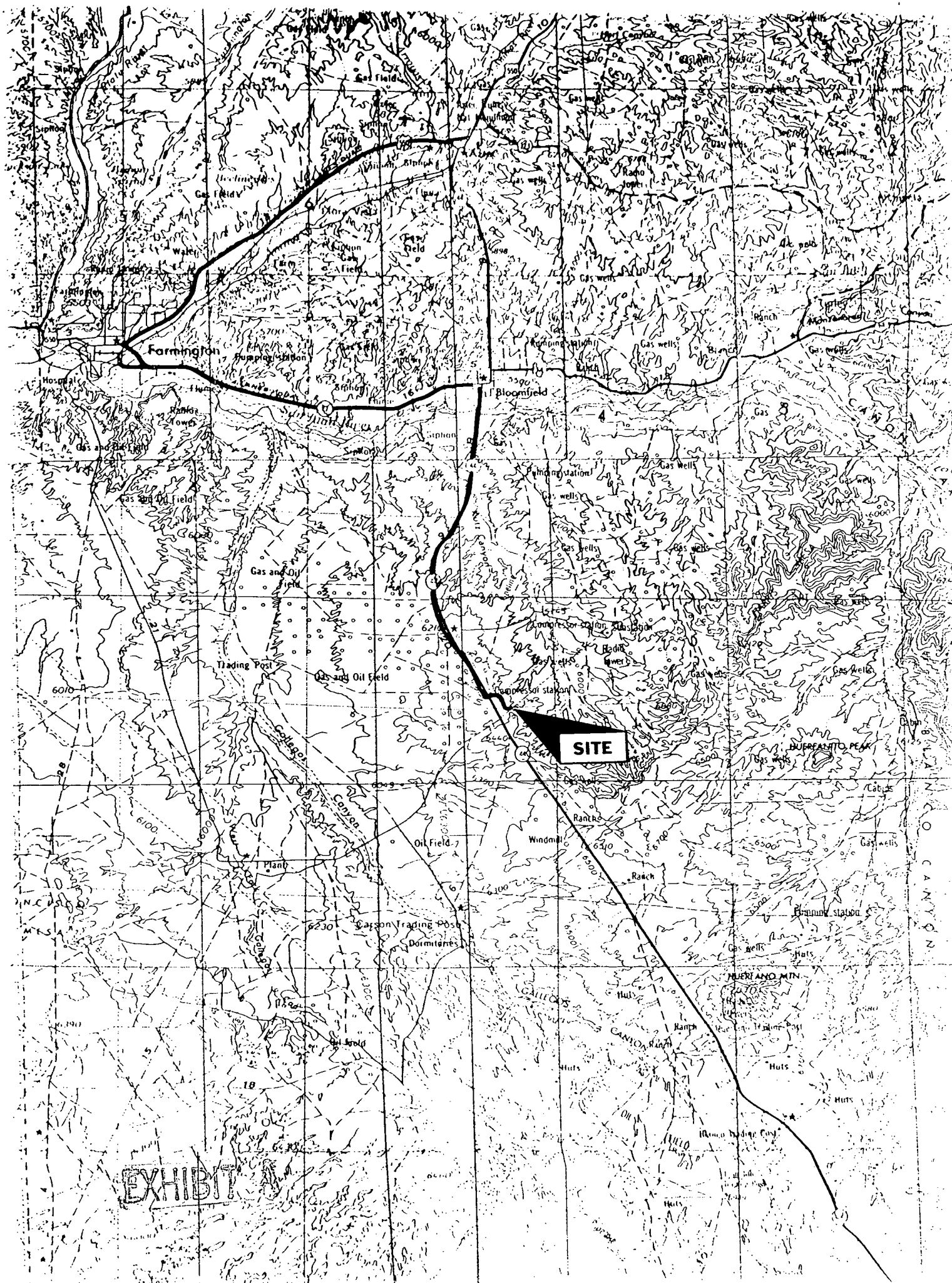
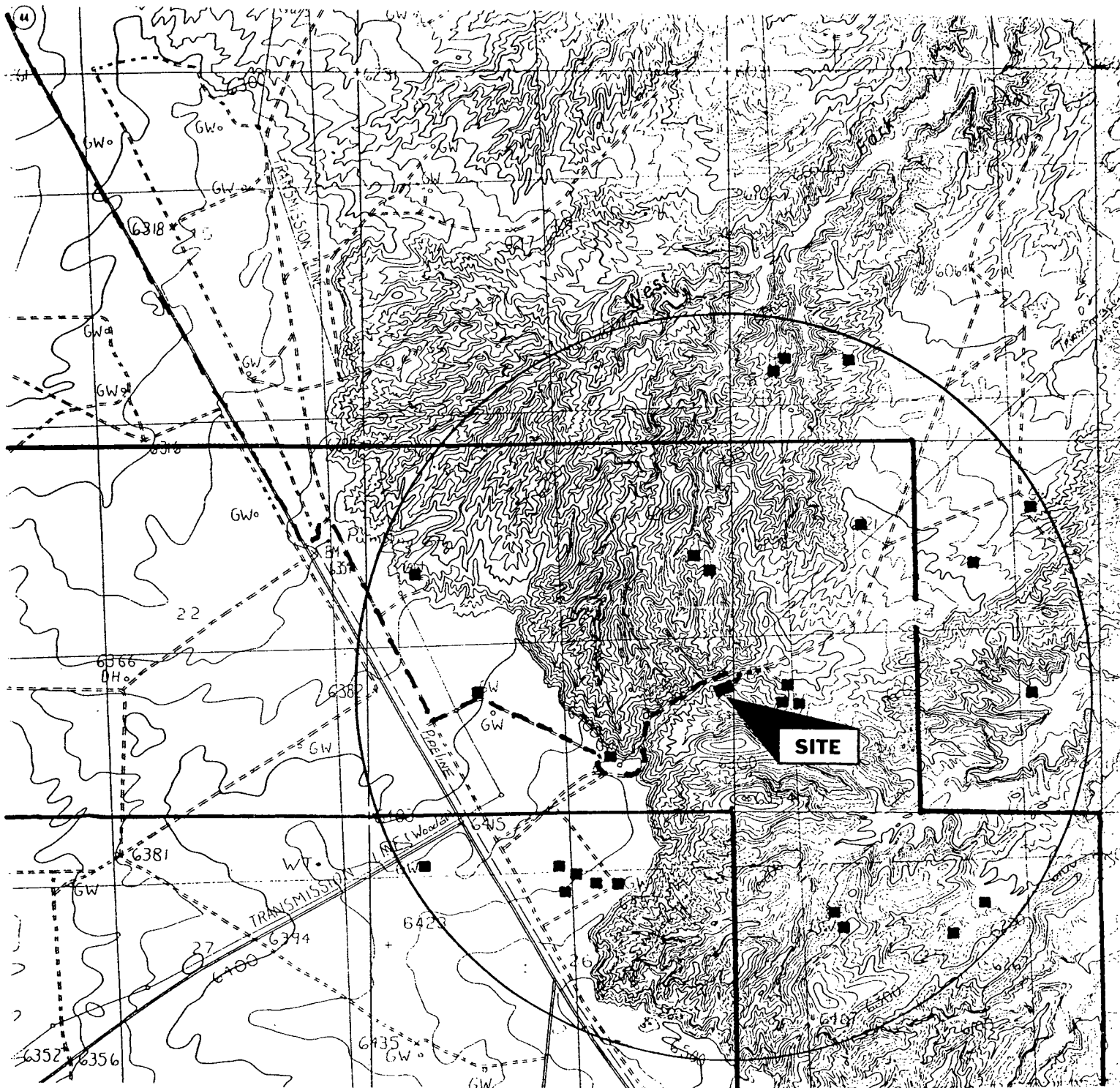


EXHIBIT A

MarkWest Resources, Inc.
 Scott Federal 232
 Surface: 1710' FSL & 90' FEL
 Sec. 23, T. 27 N., R. 11 W.
 San Juan County, New Mexico

PAGE 11



PROPOSED WELL: ◆
 EXISTING WELL: ■
 LEASE: ┌
 PROPOSED GAS LINE: - - -
 EXISTING ROAD: - - -

EXHIBIT A

PERMITS WEST INC.
 PROVIDING PERMITS FOR LAND USERS

MarkWest Resources, Inc.
Scott Federal 232
Surface: 1710' FSL & 90' FEL
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San Juan County, New Mexico

PAGE 12

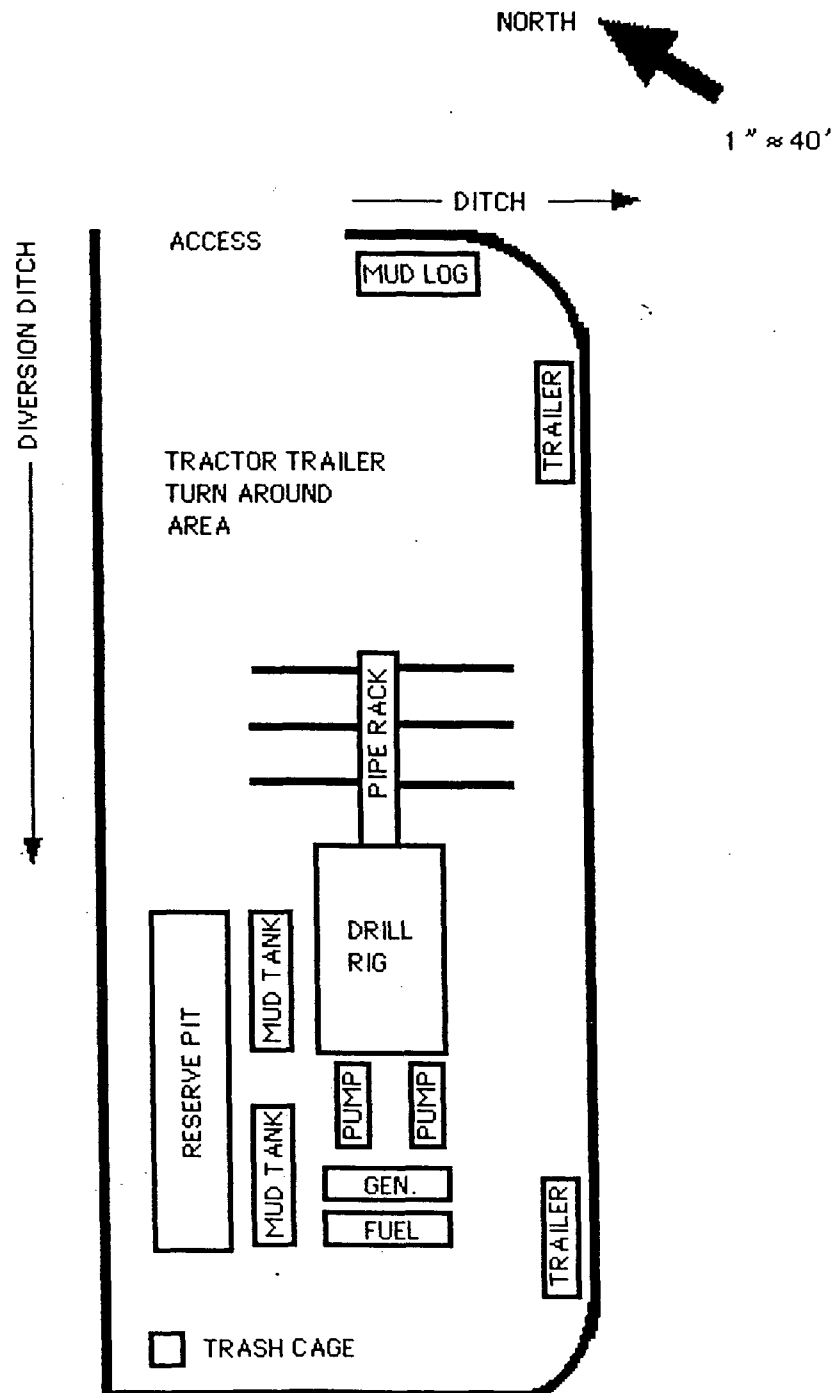
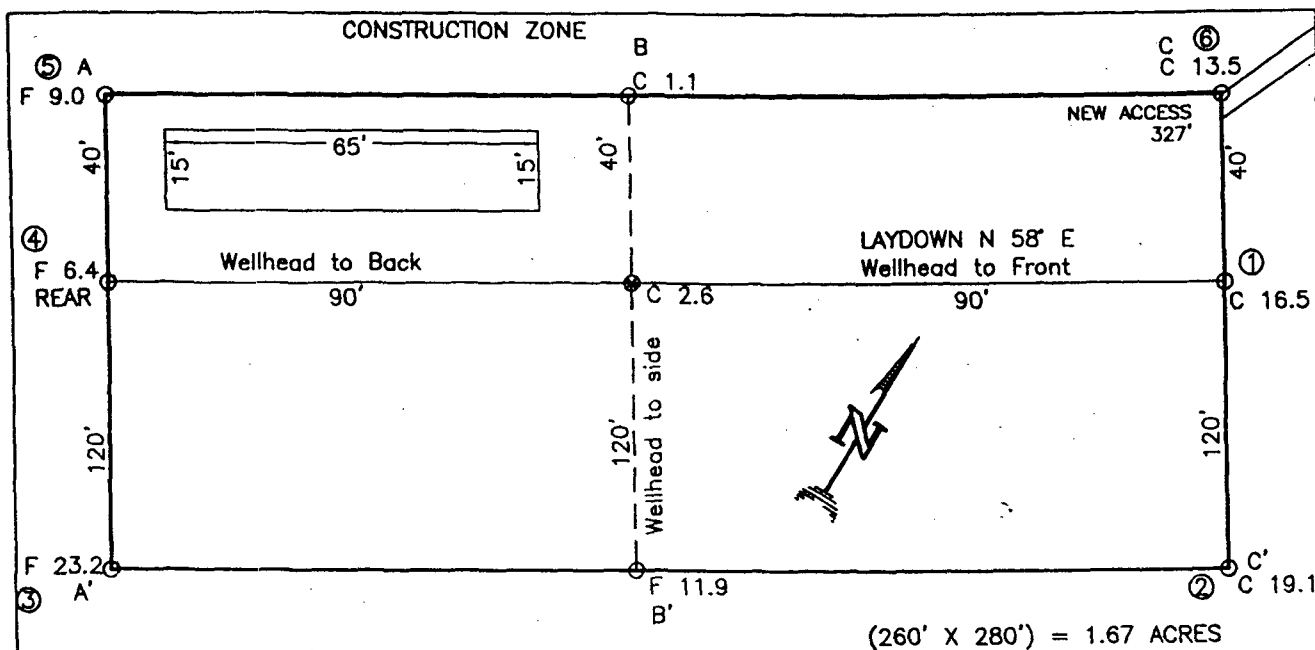


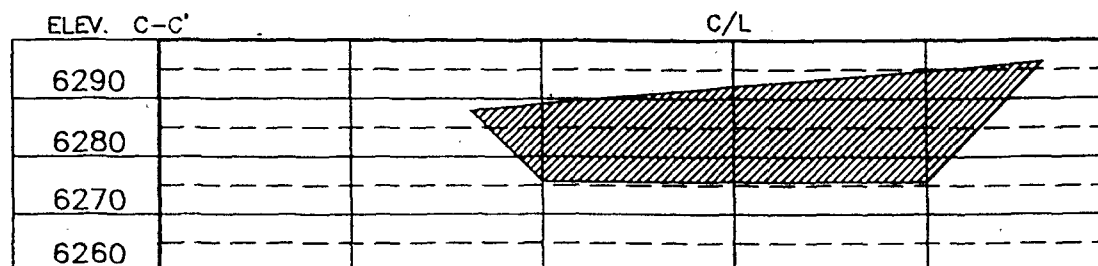
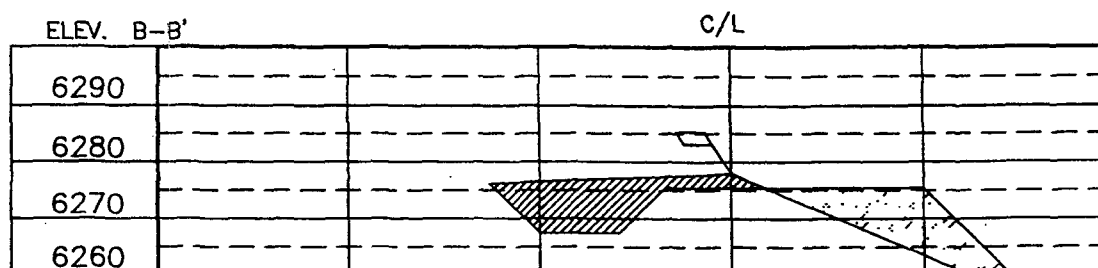
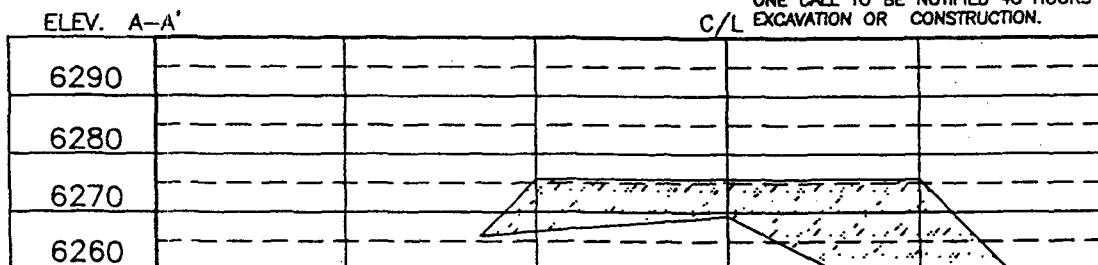
EXHIBIT A

MARKWEST RESOURCES, INC.
 SCOTT FEDERAL No. 232, 1710 FSL 90 FEL
 SECTION 23, T27N, R11W, N.M.P.M., SAN JUAN COUNTY, N. M.
 GROUND ELEVATION: 6278, DATE: JULY 2, 2002



NOTE:

DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR
 UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO
 ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO
 EXCAVATION OR CONSTRUCTION.



NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES
 ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

DRAWN BY: B.S. ROW#: MW038 CADFILE: MW038CF8 DATE: 2/11/02

REVISION: RESTAKE BY: A.G. DATE: 7/9/02

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 15088 Farmington, NM 87401
 Phone (505) 328-1772 Fax (505) 328-8019

EXHIBIT A

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

DISTRICT II
811 South First, Artesia, N.M. 88210

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-		*Pool Code 71629		*Pool Name BASIN FRUITLAND COAL	
*Property Code		*Property Name SCOTT FEDERAL			*Well Number 232
*OGRID No. 193195		*Operator Name MARKWEST RESOURCES, INC.			*Elevation 6278

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	.23	27-N	.11-W		. 1710'	. SOUTH	. 90'	. EAST	SAN JUAN

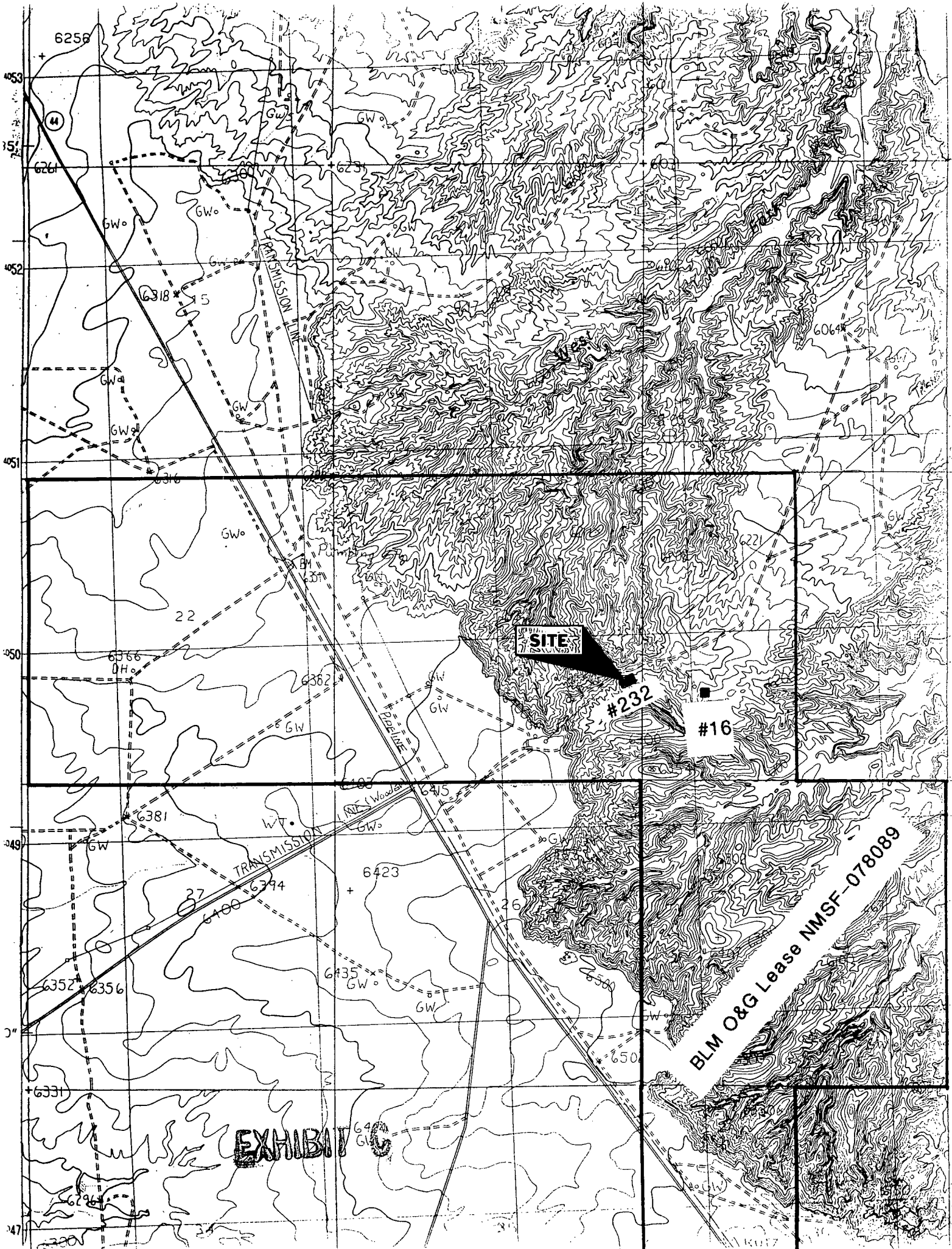
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320		Joint or Infill		Consolidation Code		Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div>16</div>	<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Brian Wood</i></p> <p>Signature</p> <p>Printed Name</p> <p>BRIAN WOOD</p> <p>Title</p> <p>CONSULTANT</p> <p>Date</p> <p>JULY 21, 2002</p>			
		<div>18 SURVEYOR CERTIFICATION</div> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><i>JOSEPH A. JOHNSON</i></p> <p>Date of Survey</p> <p>10-04-23 W</p> <p>Signature and Seal of Professional Surveyor:</p> <p>14827</p> <p>REGISTERED PROFESSIONAL SURVEYOR</p> <p>Certificate Number</p>		
			<div>FD 2 1/2" GLO BC 1913</div>	<div>FD 2 1/2" GLO BC 1913</div>

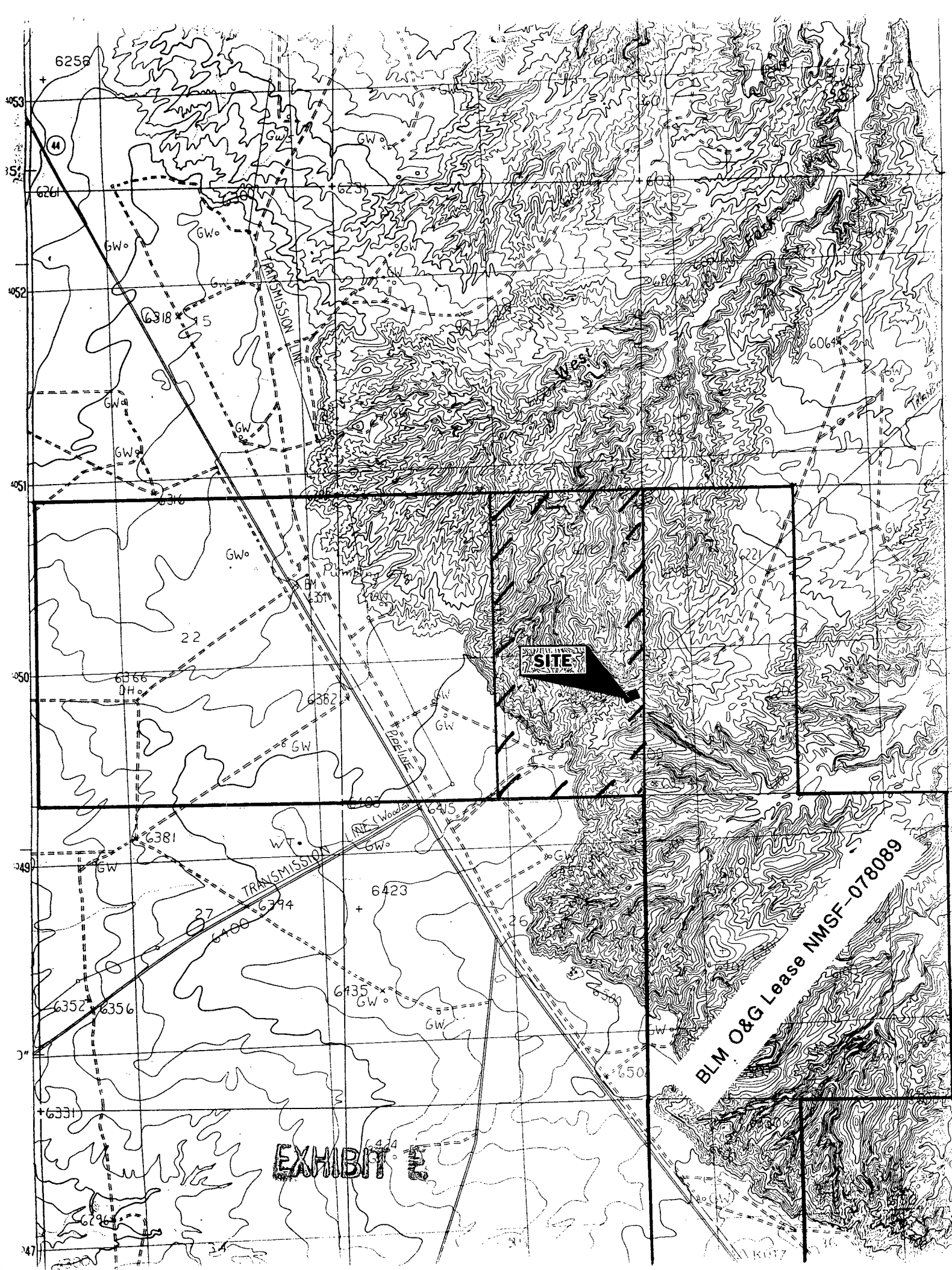
EXHIBIT B

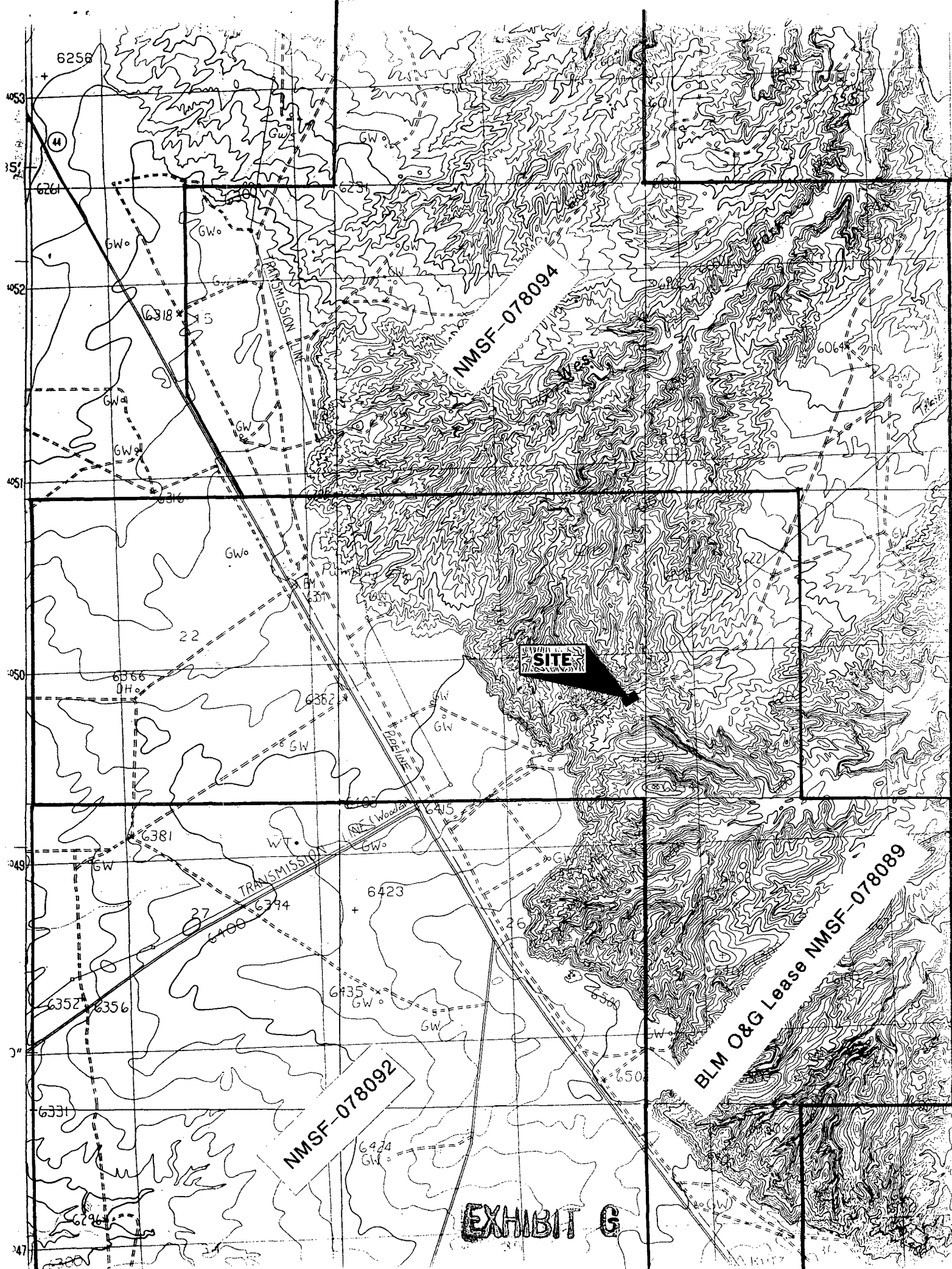


320 ACRE SPACING UNITS

Topographic map of the study area. The map shows contour lines indicating elevation. A road is visible on the left side. A well is marked with a circle and a cross. A diagonal label across the map reads "BLM O&G Lease NMSF-078089".

EXHIBIT D





NMSF-078094

SITE

NMSF-078092

BLM O&G Lease NMSF-078089

EXHIBIT G

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

12/09/02 10:51:05
OGOMES -TQIF
PAGE NO: 1

Sec : 23 Twp : 27N Rng : 11W Section Type : NORMAL

D	C	B	A
40.00	40.00	40.00	40.00
Federal owned	Federal owned	Federal owned	Federal owned
E	F	G	H
40.00	40.00	40.00	40.00
Federal owned	Federal owned	Federal owned	Federal owned
A			A A
PF01 HELP	PF02 FWD	PF03 EXIT	PF04 GOTO
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV
		PF11	PF06 PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

12/09/02 10:51:09
OGOMES -TQIF
PAGE NO: 2

Sec : 23 Twp : 27N Rng : 11W Section Type : NORMAL

L	K	J	I
40.00	40.00	40.00	40.00
Federal owned	Federal owned	Federal owned	Federal owned
	A		
M	N	O	P
40.00	40.00	40.00	40.00
Federal owned	Federal owned	Federal owned	Federal owned
		A	

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD : ONGARD 12/09/02 10:51:32
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TQIF

API Well No : 30 45 28516 Eff Date : 01-01-2001 WC Status : A
Pool Idn : 71629 BASIN FRUITLAND COAL (GAS)
OGRID Idn : 193195 MARKWEST RESOURCES INC
Prop Idn : 27401 SCOTT E FEDERAL 23

Well No : 042
GL Elevation: 6084

U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: H	23	27N	11W	FTG 1620 F N FTG 330 F E	P

Lot Identifier:

Dedicated Acre: 320.00'

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 12/09/02 10:51:40
OG6ACRE C102-DEDICATE ACREAGE OGOMES -TQIF
Page No : 1

API Well No : 30 45 28516 Eff Date : 04-30-1991
Pool Idn : 71629 BASIN FRUITLAND COAL (GAS)
Prop Idn : 27401 SCOTT E FEDERAL 23 Well No : 042
Spacing Unit : 4486 OCD Order : Simultaneous Dedication:
Sect/Twp/Rng : 23 27N 11W Acreage : 320.00 Revised C102? (Y/N) :
Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
A	23	27N	11W	40.00	N	FD				
B	23	27N	11W	40.00	N	FD				
G	23	27N	11W	40.00	N	FD				
H	23	27N	11W	40.00	N	FD				
I	23	27N	11W	40.00	N	FD				
J	23	27N	11W	40.00	N	FD				
O	23	27N	11W	40.00	N	FD				
P	23	27N	11W	40.00	N	FD				

E0005: Enter data to modify or PF keys to scroll
PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD : 12/09/02 10:51:52
OG6IPRD ONGARD
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL
OG6IPRD OGOMES -TQIF
OG6IPRD Page No: 1

OGRID Identifier : 2678 BONNEVILLE FUELS CORP
Pool Identifier : 71629 BASIN FRUITLAND COAL (GAS)
API Well No : 30 45 28516 Report Period - From : 01 2000 To : 10 2002

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes		Well Stat
			Gas	Oil	
30 45 28516	SCOTT E FEDERAL 23	01 00	2022		8 F
30 45 28516	SCOTT E FEDERAL 23	02 00 29	1905		7 F
30 45 28516	SCOTT E FEDERAL 23	03 00 31	2045		7 F
30 45 28516	SCOTT E FEDERAL 23	04 00 30	1698		6 F
30 45 28516	SCOTT E FEDERAL 23	05 00 31	1418		7 F
30 45 28516	SCOTT E FEDERAL 23	06 00 27	1206		8 F
30 45 28516	SCOTT E FEDERAL 23	07 00 31	1326		7 F

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll
PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 12/09/02 10:51:55
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQIF
 Page No: 2

OGRID Identifier : 2678 BONNEVILLE FUELS CORP
 Pool Identifier : 71629 BASIN FRUITLAND COAL (GAS)
 API Well No : 30 45 28516 Report Period - From : 01 2000 To : 10 2002

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil	Well Water Stat
30 45 28516	SCOTT E FEDERAL 23	08 00 31	1430	7 F
30 45 28516	SCOTT E FEDERAL 23	09 00 30	1151	7 F
30 45 28516	SCOTT E FEDERAL 23	10 00 31	1239	6 F
30 45 28516	SCOTT E FEDERAL 23	11 00 29	1364	8 F
30 45 28516	SCOTT E FEDERAL 23	12 00 29	1182	7 F

Reporting Period Total (Gas, Oil) : 17986 85

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

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

January 31, 1991

Bonneville Fuels Corporation
1600 Broadway, Suite 1110
Denver, CO 80202

Attention: L.D. Lillo

Administrative Order NSL-2986

Dear Mr. Lillo:

Reference is made to your application dated January 23, 1991 for a non-standard gas well location for your Scott E. Federal 23 Well No. 42 to be located 1620 feet from the North line and 330 feet from the East line (Unit H) of Section 23, Township 27 North, Range 11 West, NMPM, West Kutz-Pictured Cliffs Gas Pool, San Juan County, New Mexico. The NE/4 of said Section 23 shall be dedicated to the well forming a standard 160-acre standard spacing and proration unit.

By the authority granted me under the provisions of General Rule 104F.I. the above-described unorthodox gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay", with a long, sweeping horizontal line extending to the right.

William J. LeMay
Director

WJL/JHM/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington