

DATE IN 05/29/09	SUSPENSE	ENGINEER D. Brooks	LOGGED IN 05/29/09	TYPE NSL	APP NO. DKPA0914 948599
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ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -
2009 MAY 29 10:47 AM
1417 St. Francis Drive, Santa Fe, NM 87505



30-031-21103 Endy 101
30-031-21105 Star 32 # 102
Enerdyne
185239

ADMINISTRATIVE APPLICATION CHECKLIST

6043

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

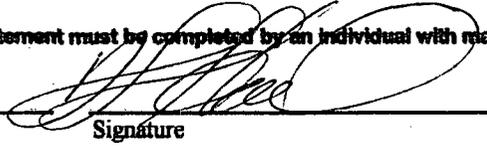
Application Acronyms:

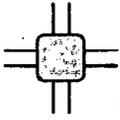
- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance 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.

<p>DON L HANOSH _____ Print or Type Name</p>	<p> _____ Signature</p>	<p>MANAGING MEMBER _____ Title</p>	<p>5-26-09 _____ Date</p>
		<p>DHANOSH426@AOL.COM _____ e-mail Address</p>	



enerdyne llc

p.o. box 502

albuquerque, nm 87103

May 26, 2009

New Mexico Oil Conservation Division
Engineering Bureau
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Re: Non-Standard Locations Request
ENDY 101 & ENDY 102
Section 32, T20N, R9W
McKinley County, NM

Gentlemen:

The enclosed information is in support of my request for approval for two Non- Standard Locations: the ENDY 101 & ENDY 102, both located in Section 32, T20N, R9W, McKinley County, New Mexico.

I respectfully submit the following for your review:

Administrative Application Checklist
C-102 for the ENDY 101
C-102 for the ENDY 102
Four Corners Geological Society Paper: Blackeye Mesaverde
3D Seismic defined locations for the ENDY 101 & ENDY 102
Assignment of NM Lease B1-1571-0050 to Enerdyne LLC
Ownership Plat
Request Narrative

If additional information is required by your office, I am available to cooperate with your request.

Thank you for your consideration.

Regards,



Don L. Harfosh
Managing Member
Enerdyne LLC
1-505-414-8548

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

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

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

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number <i>6290</i>	² Pool Code <i>6290</i>	³ Pool Name <i>under</i> BLACKEYE MESAVERDE
⁴ Property Code	⁵ Property Name ENDY	
⁷ GRID No. 185239	⁶ Operator Name ENERDYNE LLC	⁸ Well Number 101
		⁹ Elevation 6503'

¹⁰ Surface Location

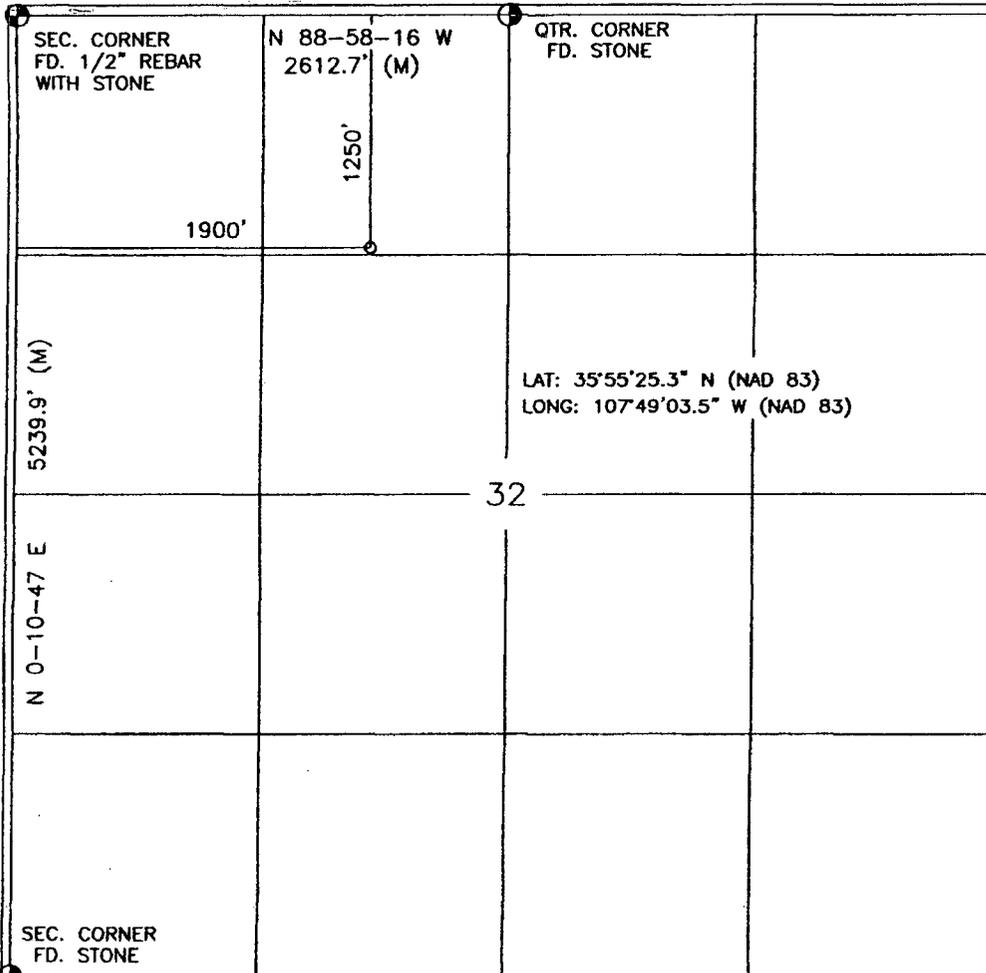
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	32	20-N	9-W		1250'	NORTH	1900	WEST	McKINLEY

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
¹² Dedicated Acres			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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



17 OPERATOR CERTIFICATION

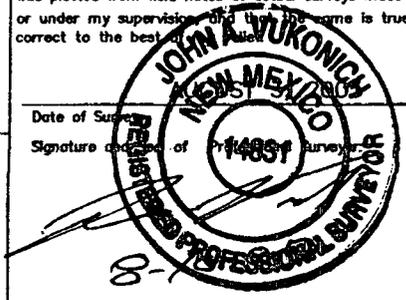
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature
DON L. HANOSH
Printed Name
GENERAL MANAGER
Title
9-13-05
Date

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 knowledge and belief

Date of Survey
Signature of Registered Professional Surveyor
14831
Certificate Number



107.83333° W

107.81667° W

WGS84 107.80000° W

ENERDYNE, LLC

STATE 32 No. 102

NE/4 SEC. 32, T-20-N, R-9-W, N.M.P.M.

MCKINLEY COUNTY, NEW MEXICO

1340 FNL 2000 FEL

AIN OIL FIELD

Fajada

Red Mountain

35.93333° N

35.93333° N

STATE 32 No. 102

LAT. 35.92350 N (NAD 83)

LONG. 107.81299 W (NAD 83)

35.91667° N

35.91667° N

**THIS MAP IS FOR ESTIMATING PURPOSES ONLY.
CONSTRUCTION FOOTAGES ARE APPROXIMATE.**

107.83333° W

107.81667° W

WGS84 107.80000° W



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

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

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

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-031-	² Pool Code 6290	³ Pool Name <i>Wm</i> BLACKEYE MESA VERDE
⁴ Property Code	⁵ Property Name STATE 32	⁶ Well Number 102
⁷ OCRID No. 185239	⁸ Operator Name ENERDYNE, LLC	⁹ Elevation 6499

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
G	32	20-N	9-W		1340	NORTH	2000	EAST	McKINLEY

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
¹² Dedicated Acres 40			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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	OTR. CORNER FD. STONE	S 87-58-06 W 2671.39' (M)	1340'	SEC. CORNER FD. STONE W/ 5/8" REBAR	17	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>DON L HANOSH</p> <p>Printed Name</p>
				2000'		
		32		OTR. CORNER FD. STONE	18	<p>SURVEYOR CERTIFICATION</p> <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>Date of Survey _____</p> <p>Signature and Seal of Registered Professional Land Surveyor: _____</p> <p><i>MARCO A. RUSH</i></p> <p>NEW MEXICO</p> <p>REGISTERED PROFESSIONAL LAND SURVEYOR</p> <p>Certificate Number _____</p>

107°50'00" E

107°49'00" E

WGS84 107°48'00" E

ENERDYNE LLC

ENDY 101

NW/4 SEC. 32, T20N, R9W, N.M.P.M.

McKINLEY COUNTY, NEW MEXICO

1250 FNL 1900 FWL

35°57'00" N

35°57'00" N

35°56'00" N

35°56'00" N

35°55'00" N

35°55'00" N

107°50'00" E

107°49'00" E

WGS84 107°48'00" E

ENDY 101

LAT. 35.55.25.3 N (NAD 83)

LONG. 107.49.03.5 W (NAD 83)

Drill Hole

Drill Holes Well

Red Mountain

RED MOUNTAIN OIL FIELD

19

20

21

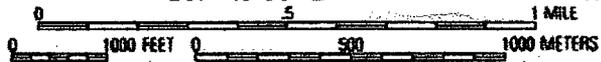
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33



Map created with TOPO! © 2002 National Geographic (www.nationalgeographic.com/topo)

BLACKEYE MESAVERDE

(Oil)

T. 20 N., R. 9 W., NMPM

San Juan County, New Mexico

By: **Bruce A. Black****Colorado Plateau Geological Services,
Incorporated****GEOLOGY****Regional Setting:** South flank of the San Juan Basin**Surface Formations:** Cretaceous, Menefee Formation**Exploration Method Leading to Discovery:** Follow up to oil show noted in Menefee while drilling offset well to Blackeye Dakota discovery**Type of Trap:** Stratigraphic**Producing Formation:** Cretaceous, Menefee Formation**Gross Thickness and Lithology of Reservoir Rocks:** 12 feet of nonmarine channel sandstone**Geometry of Reservoir Rock:** Lenticular channel sandstone**Other Significant Shows:** None**Oldest Stratigraphic Horizon Penetrated:** Cretaceous, Mancos Shale**Gas Characteristics and Analysis:** Small amounts of methane through pentane with methane predominating**Oil Characteristics and Analysis:** Dark brown 32° API gravity crude**Associated Water Characteristics and Analysis:** Fresh water**Original Gas, Oil, and Water Contact Datums:** Unknown**Estimated Primary Recovery:** 20,000 BO**Type of Secondary Recovery:** Probable waterflood**Estimated Ultimate Recovery:** 40,000 BO**Present Daily Average Production:** 10 BOD**Market Outlets:** Oil is trucked to Farmington**FIELD COMMENTARY**

The Blackeye Mesaverde pool is located in secs. 30 and 32 of T. 20 N., R. 9 W., NMPM. The pool was originally discovered in May of 1972 by the Jaco 55-4 Jaco Slaughter well. This well was drilled as an immediate offset to the Young and Walters Jaco No. 2 Dakota test which cut 12 feet of oil sandstone at 1,050 feet while attempting to offset the indicated new Dakota pool discovery found by the Blackeye No. 1 well in sec. 29. The Jaco 55-4 initialed for 20 barrels of 32° API gravity oil per day, with 10 barrels of water and very small amounts of associated gas. The accumulation appears to be localized in a small fluvial channel sandstone in the Menefee Formation. Additional drilling has yielded two additional oil wells and 8 dry holes in an attempt to follow this channel.

Another well, the Birdseye Federal 30-1, is also classified as part of the Blackeye Mesaverde pool. This well was drilled to test shows reported in the Beard Oil Company 8-30 Federal No. 1 in section 30, T. 20 N., R. 9 W. The Federal 30-1 was drilled on the same location pad and 50 feet north of the Beard well. The well was spudded on April 30, 1972 and cut 10 feet of saturated oil sandstone from 1,059 to 1,069 feet on May 3, 1972. The well was put on pump on May 8th and made an initial production of 12 barrels of oil and 30 barrels of water per day.

This well, also classified within the Blackeye Mesaverde pool, is undoubtedly producing from a separate and distinct channel from the Jaco wells. Both the Jaco wells and the Federal 30-1 produce from non-marine channel sandstone at approximately 1,050 feet. The sandstones run approximately 26 percent porosity and 500 millidarcies permeability. Oil gravity in the Beard well, however, is 36° API gravity, while the oil gravity in the Jaco accumulation is 32° API gravity. Additional development work to follow up both of these channels is expected in the future.

DISCOVERY WELL**Name:** Jaco, Inc. No. 55-4 Jaco Slaughter**Location:** NW NW sec. 32, T. 20 N., R. 9 W.**Elevation (KB):** 6,522 feet**Date of Completion:** May 4, 1972**Total Depth:** 2,737 feet**Production Casing:** 4½" at 1,170 feet**Perforations:** 1,048 feet to 1,056 feet**Stimulation:** None; natural completion**Initial Potential:** Pump 20 BOD**Bottom Hole Pressure:** 454 psi**DRILLING AND COMPLETION PRACTICES**

Wells are drilled with natural water base mud through the pay and perforated. Wells are acid washed and completed on pump.

RESERVOIR DATA**Productive Area:**

Proved (as determined geologically): 30 acres

Unproved: 80 acres

Approved Spacing: 10 acres

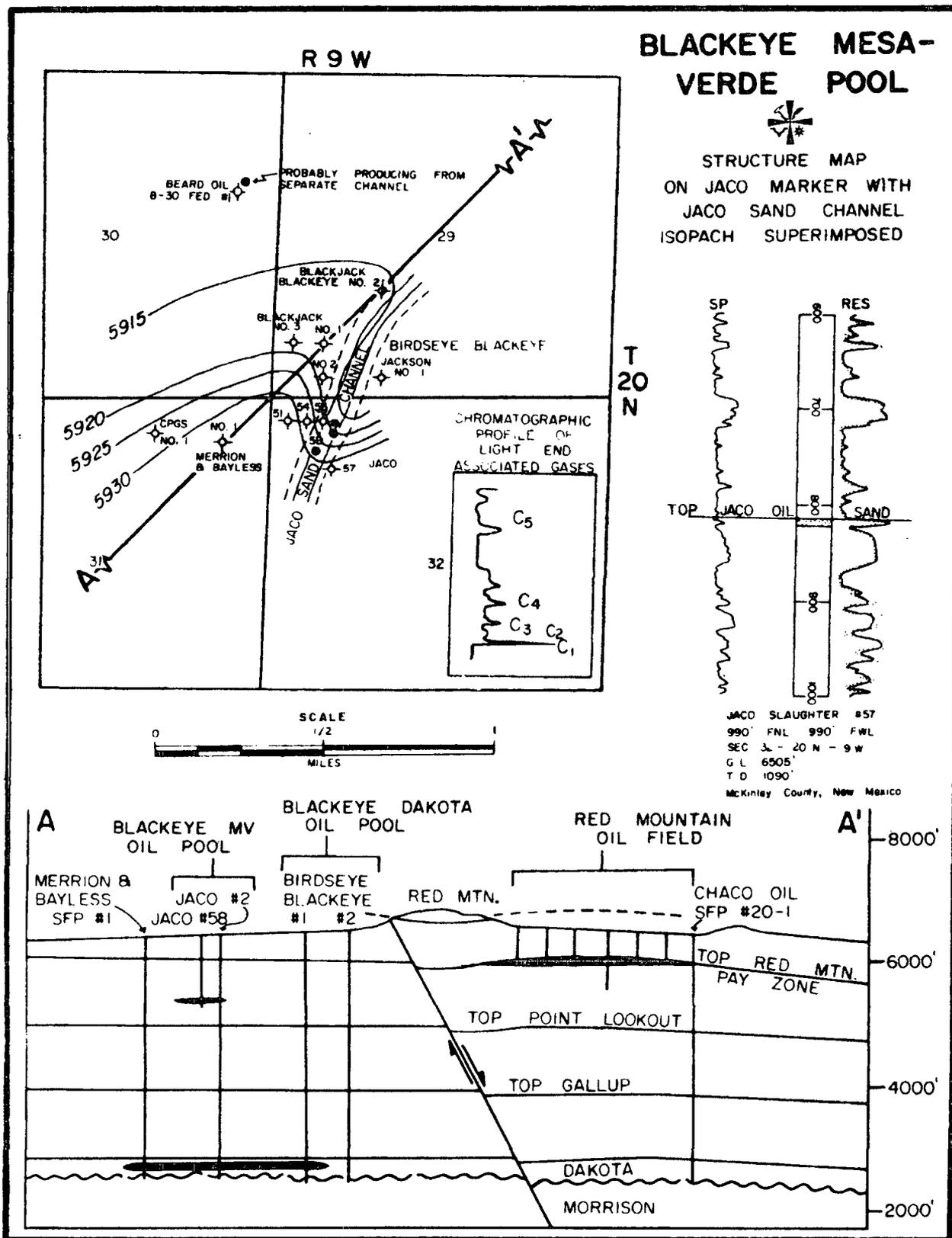
No. of Producing Wells: 3

No. of Abandoned Wells: 0

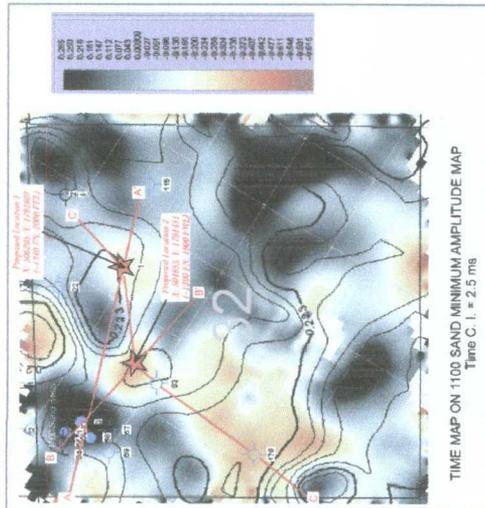
No. of Dry Holes: 8

Average Net Pay: 10 feet**Porosity:** 26 percent**Permeability:** 400 millidarcies**Water Saturation:** 40 percent**Initial Field Pressure:** 454 psi**Type of Drive:** Solution gas (?)**REFERENCES**

New Mexico Oil Conservation Commission Records
Personal and operators files
Files of H. S. Birdseye (deceased)



Oil and Gas Fields of the Four Corners Area



TERM ASSIGNMENT OF OIL AND GAS LEASE

State: New Mexico
County: McKinley
Assignor: Evko Development Co.
Judith Barr, General Partner
P.O. Box 245, Sausalito, California 94966
Assignee: Enerdyne LLC-50% interest, P.O. Box 502, Albuquerque, New Mexico 87103
Monte Vista Exploration Company, Inc.-50% interest, P.O. Box 345, Albuquerque,
NM 87103

Effective Date: April 13, 2009

In consideration of Ten and No/100 Dollars (\$10.00) and other valuable consideration, the receipt and adequacy of which is acknowledged, subject to the further terms of this Assignment, Assignor, named above, grants, sells, conveys, transfers, assigns, and delivers to Assignees, named above, equally, all of Assignor's right, title, and interest, and estate in and to the Oil and Gas Lease, and the land it covers, as described below and by reference made a part of this Assignment. The Oil and Gas Lease and land are referred to in this Assignment as the "Assigned Premises."

State of New Mexico Lease No.: B1-1571-0050
Section 32: SW/4NE/4-Township 20N-Range 09W, N.M.P.M.
McKinley County, New Mexico
Containing 40 acres more or less.

This Assignment shall be effective for a period of one year (1 year) from the Effective Date stated above, and as long thereafter as there is a well or wells, on the Assigned Premises (or on lands pooled with the Assigned Premises) that is/are producing oil and/or gas in paying quantities. In the event production of oil and/or gas on the Assigned Premises (or lands pooled with the Assigned Premises), after once obtained, shall cease for any cause, the Assignment shall not terminate if the Assignee commences additional drilling and/or reworking operations within 120 days after the cessation. This Assignment shall remain in full force and effect so long as operations are continued in good faith and in a workmanlike manner, without interruptions totaling more than 120 days during any one of those operations. Should the drilling or reworking operations result in the production of oil and/or gas, this Assignment shall remain in full force and effect so long as oil and/or gas is produced in paying quantities.

Assignor excepts from this Assignment and reserves to itself, its successors and assigns, proportionate to the assigned interests, an overriding royalty interest payable on oil, gas and associated hydrocarbons produced, saved, and sold from the Assigned Premises of Five Percent of eight-eighths (5% of 8/8ths). The overriding royalty interest reserved shall be subject to proportionate reduction if it is determined the Assigned Premises cover less than one-hundred percent (100%) of the oil and gas mineral estate in the Assigned Premises or if Assignor's interest in the Assigned Premises is less than 100% leasehold interest. The overriding royalty interest reserved shall be free and clear of all costs of exploring, drilling, operating, producing, developing, processing, gathering, marketing, compressing, dehydrating, separating, treating, and transporting but shall bear its proportionate part of all severance taxes.

By acceptance of this Assignment, Assignees covenant and agree to the following stipulations, covenants, conditions, and terms:

(a) Assignees agree to and shall assume full liability and responsibility from and after the Effective Date of this Assignment for the Assigned Premises and for any wells which may be drilled on the Assigned Premises by Assignees, or caused to be drilled by Assignees, as to the interests assigned to Assignees, and for any operations, including the plugging and abandonment of any wells drilled, or caused to be drilled by Assignees, and any surface restoration deemed necessary. In the event that the Assigned Premises revert back to Assignor, then Assignees will remain liable and responsible for any and all damages caused by any operations or activities of any nature conducted by, or caused to be conducted by Assignees which occurred to the

DOCH 345038

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LE R: \$13.00 J. C. Sloan, McKinley County



Shanna

Assigned Premises during the period which Assignees owned and/or operated the Assigned Premises.

(b) Assignees agree to protect, indemnify, and hold Assignor harmless from and against any and all liability, loss, damage, injury, claims, demands, and causes of actions asserted or filed after the Effective Date, including attorney's fees and costs, in any way arising from or attributable to operations or activities of any nature conducted by, or caused to be conducted by, Assignees during the period which Assignees owned and/or operated the Assigned Premises.

(c) Assignees assume and agree to comply with all obligations and covenants, express, implied or statutory, imposed on the Lessee in the Oil and Gas Lease (including, but not limited to, the proper payment of royalties, overriding royalties or other burdens on production) which appear of or are referenced in the records of the county where the Assigned Premises are located.

(d) Assignees assume and agree to comply with all valid laws, rules and regulations of the state regulatory body and all governmental agencies having jurisdiction or supervision over the Assigned Premises, including all statutes, regulations, orders, ordinances and common law, currently enacted or to be enacted in the future, and such laws, rules, and regulations relating to the protection of public health, welfare, and the environment.

(e) Assignees will not earn any leasehold interest in the Assigned Premises beyond the expiration date of this Assignment in the event the Assignees drill a dry hole. It is understood that Assignees shall only earn rights under this Assignment in the event a well is completed as a commercial well capable of producing oil and/or gas in paying quantities.

This Assignment shall be binding on and inure to the benefit of the Assignor and Assignees and their respective heirs, devisees, legal representatives, successors and assigns. The terms and conditions contained in this Assignment shall constitute covenants running with the land and shall be binding on, and for the benefit of, the respective heirs, devisees, legal representatives, successors, and assigns of Assignor and Assignees.

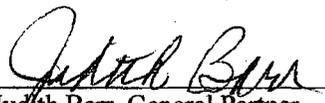
This Assignment is made WITHOUT ANY REPRESENTATIONS OR WARRANTY OF TITLE, EXPRESS OR IMPLIED.

This Assignment may be executed in any number of counterparts and each counterpart shall for all purposes be deemed to be an original, and all counterparts shall together constitute one and the same instrument.

This Assignment is executed as of the date of the acknowledgments below, but shall be effective for all purposes as of the Effective Date stated above.

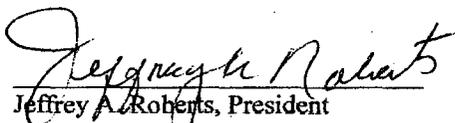
Assignor:

EVKO Development Company


Judith Barr, General Partner

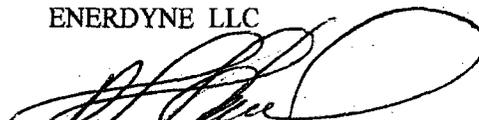
Assignee:

Monte Vista Exploration Company, Inc.


Jeffrey A. Roberts, President

Assignee:

ENERDYNE LLC


Don L. Hanosh, General Manager

DOCH 345038

05/18/2009 10:48 AM Page: 2 of 3
L.E.R.: \$13.00 J. C. Sloan, McKinley County



ACKNOWLEDGEMENTS

STATE OF CALIFORNIA)

COUNTY OF Marin)

The above instrument was acknowledged before me this 1st day of May, 2009 by Judith Barr, General Partner, Evko Development Company, a California partnership, on behalf of said Partnership.

D. O.

Notary Public in and for
The State of California

My Commission Expires: 12-01-11



STATE OF NEW MEXICO)

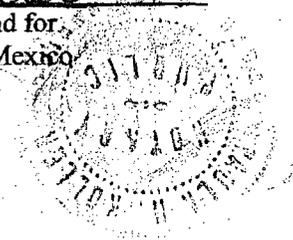
COUNTY OF BERNALILLO)

The above instrument was acknowledged before me this 24th day of April, 2009 by Don L. Hanosh, General Manager of Enerdyne LLC, a New Mexico Limited Liability Company, on behalf of said Company.

Paula H. Koller

Notary Public in and for
The State of New Mexico

My Commission Expires: 1-27-10



STATE OF NEW MEXICO)

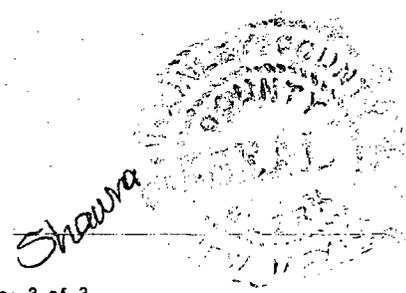
COUNTY OF BERNALILLO)

The above instrument was acknowledged before me this 21st day of April, 2009 by Jeffrey A. Roberts, President of Monte Vista Exploration Company, Inc., a New Mexico corporation, on behalf of said Corporation.

Brenda S. Hull

Notary Public in and for
The State of New Mexico

My Commission Expires: 7-21-2010



DOCH 345038

3

05/18/2009 10:48 AM Page: 3 of 3
LE R: \$13.00 J. C. Sloan, McKinley County



SECTION 32, T20N, R9W OWNERSHIP PLAT

16	OTR. CORNER FD. STONE		SEC. CORNER FD. STONE W/ 5/8" REBAR
VO-7458	VO-7458	VO-7458	VO-7458
VO-7458	VO-7458	BI-1571	VO-7458
		32	OTR. CORNER FD. STONE
VO-7458	VO-7458	VO-7458	VO-7458
VO-7458	VO-7458	VO-7458	VO-7458

Request Narrative

The primary target of the ENDY 101 and ENDY 102 is the Blackeye Mesaverde, an 1100 ft. sandstone within the Menefee Formation. As illustrated by the Jaco wells located in the northwest corner of Section 32, the small fluvial sandstone channels in the Menefee Formation are difficult targets because of their meandering nature. Thus wells must be located where closure is found. With the use of 3D seismic, two offsets to the Jaco wells have been defined, however the location of these wells are non-standard locations.

The enclosed Ownership Plat of Section 32 shows the Enerdyne LLC controls the entire section therefore no other party will be effected by the locations of these wells.

The record will show, that within this immediate area, known as the Red Mountain, several Menefee wells have been approved for drilling with less than 40 acre spacing on non-standard locations.

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, June 10, 2009 3:15 PM
To: 'dhanosh426@aol.com'
Subject: Enerdyne LLC, Endy ##101 and 102; NSL application

Dear Mr. Hanosh

I would like some clarification of your statement in this application that Enerdyne controls the entire section [32]. Does this mean that Enerdyne owns 100% of the operating rights for this formation for the entire section. If this is the case, or if there are other operating rights owners, if all interests are uniform throughout this section, then this application can be processed without any notice to others.

Please confirm if the foregoing criteria are met.

Sincerely

David K. Brooks
Legal Examiner
505-476-3450

Brooks, David K., EMNRD

From: dhanosh426@aol.com
Sent: Wednesday, June 10, 2009 5:25 PM
To: Brooks, David K., EMNRD
Subject: Re: Enerdyne LLC, Endy ##101 and 102; NSL application

David;

Enerdyne has 100% operating rights from surface to basement for the entire section.

Thank you,

Don L. Hanosh

-----Original Message-----

From: Brooks, David K., EMNRD <david.brooks@state.nm.us>
To: dhanosh426@aol.com
Sent: Wed, 10 Jun 2009 3:15 pm
Subject: Enerdyne LLC, Endy ##101 and 102; NSL application

Dear Mr. Hanosh

I would like some clarification of your statement in this application that Enerdyne controls the entire section [32]. Does this mean that Enerdyne owns 100% of the operating rights for this formation for the entire section. If this is the case, or if there are other operating rights owners, if all interests are uniform throughout this section, then this application can be processed without any notice to others.

Please confirm if the foregoing criteria are met.

Sincerely

David K. Brooks
Legal Examiner
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