



EL PASO ENERGY RATON, L.L.C.
P.O. BOX 190 - RATON, N.M. 87740

April 19, 2002

**State of New Mexico
Oil Conservation Division
Attn: Roy Johnson
1220 S. St. Francis
Santa Fe, NM 87505**

Re: VPR E 34 WDW Waiver

Dear Roy:

Please find attached a copy of the "Waiver" on the VPR E 34 Water Disposal Well.

Also, within the next few weeks I will be submitting the C-103 and C-105 on this well.

If you are in need of further information, please contact me.

Sincerely,

Shirley A. Mitchell
**Shirley A. Mitchell
Field Adm. Specialist**

April 8, 2002



Vermejo Minerals Corporation
c/o Devon Energy Corporation
20 North Broadway, Suite 1500
Oklahoma City, OK 73102-8260
Attn: David Frank

RE: Vermejo Park Ranch - E34 WDW
Water Disposal Well located 1268 FNL, 368FEL Sec. 5, T31N, R19E
Colfax County, New Mexico

Gentlemen:

El Paso Raton, LLC, as Operator of the captioned well, received approval from the New Mexico Energy, Minerals and Natural Resources Department - Oil Conservation Division to drill a disposal well and inject produced water for disposal purposes into the Dakota, Entrada, and Glorieta formations from approximately 6250 feet to 6430 feet, 6850 feet to 6950 feet and 7220 feet to 7340 feet, respectively. This authority from the Oil Conservation Division is more specifically granted under Administrative Order SWD-826, which is attached here as Exhibit "A" for your reference.

After El Paso's review of the current results of the E34 WDW, it is El Paso's recommendation that we request administrative approval to revise the depths and formations for disposal of produced water into measured depths from 7091 feet in the Entrada Formation to a PTD of 7600 feet through the Glorieta formation. The completion interval and wellbore schematics are more specifically detailed on the attached labeled Exhibit "B".

In preparation of this request for submittal to the New Mexico Oil Conservation Division, it is respectfully requested that Vermejo Minerals Corporation, as owner of a ~~50%~~ ^{25%} working interest and as owner of all the executive mineral interest, hereby grant to El Paso Raton, LLC approval to proceed with the application to inject produced water into the revised depths and formations referenced above. If Vermejo Minerals Corporation approves of and waives any objection or protest to the revised operations as set forth in this letter, please signify as such by having a duly authorized officer of Vermejo Minerals Corporation sign this letter in the space provided below and by returning such signed letter to me at your earliest possible convenience.

Respectfully submitted,
El Paso Raton, LLC

Chad Shaw

PTB *pk* Chad Shaw
Director of Land - CBM

Approval and Waiver Given this 10 day of APRIL 2002.

Vermejo Minerals Corporation

By: *[Signature]*
Its: VICE PRESIDENT