



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lance Oil & Gas Company, Inc.

P. O. Box 70

Kirtland, New Mexico 87417

Attention: Paul Lehrman

plehrman@westerngas.com

January 25, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

AMENDED Administrative Order NSP-1881

Dear Mr. Lehrman:

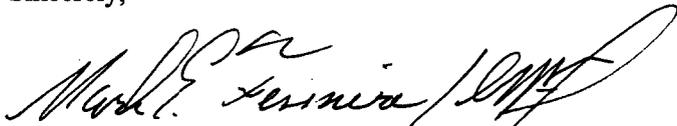
Reference is made to the following: (i) your e-mail correspondences with Mr. Michael E. Stogner, Engineer/Hearing Officer with the New Mexico Oil Conservation Division ("Division") in Santa Fe on December 27 and 28, 2004 and January 4, 2005; (ii) your letter dated January 4, 2005 with attachments; (iii) the Division's records in Santa Fe, including the file on Division Administrative Order NSP-1881: all concerning the need to amend Division Administrative Order NSP-1881, dated November 4, 2004, to reflect a location change for the well that was the subject of this order, Lance Oil & Gas Company, Inc.'s ("Lance") F-RPC "19" Well No. 2 (API No. 30-045-32626), which was junked and abandoned because of problems encountered during drilling and its replacement drilled approximately 33 feet to the north-northeast.

Division Administrative Order NSP-1881 is hereby amended to reflect the subject non-standard spacing unit will be dedicated to Lance's F-RPC "19" Well No. 2-Y (API No. 30-045-32766) located at a standard gas well location, pursuant to Division Rule 104.C (3), 688 feet from the North line and 836 feet from the West line (Lot 7/Unit C) of Irregular Section 19.

All other provisions of Division Order NSP-1881 shall remain in full force and effect until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,


Mark E. Fesmire, P. E.

Director

MEF/mes

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NSP-1881