



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

April 11, 2005

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Jicarilla Apache Energy Corporation
c/o Neeley Consulting Services, LLC
3001 Northridge Drive – Los Amigos Bldg.
Farmington, New Mexico 87401

Attention: **Charles Neeley**
neelee@acrnet.com

Administrative Order NSL-5193

Dear Mr. Neeley:

Reference is made to the following: (i) your application (*administrative application reference No. pMES0-509952923*) on behalf of the operator Jicarilla Apache Energy Corporation (“JAECO”), dated May 19, 2004, but was not submitted to the New Mexico Oil Conservation Division (“Division”) in Santa Fe, New Mexico until March 28, 2005; and (ii) the Division’s records in Santa Fe: all concerning JAECO’s request for an exception to the well location requirements provided within the “*Special Rules for the Blanco-Mesaverde Pool*,” as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, as amended by Division Order No. R-10987-A (1), dated December 2, 2002. The W/2 of Section 21, Township 27 North, Range 2 West, NMPM, Rio Arriba County, New Mexico, being a standard 320-acre stand-up gas spacing and proration unit (“GPU”) for the Blanco-Mesaverde Pool (72319) is to be dedicated to this well.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing the Blanco-Mesaverde Pool.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled at an unorthodox gas well location in Section 20 is hereby approved:

**JVA Well No. 3-A
425' FNL & 660' FWL (Unit D).**

Further, the aforementioned well and spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Aztec
U. S. Bureau of Land Management – Albuquerque