



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Patina San Juan Incorporated**

c/o **J. Scott Hall**

**Miller Stratvert, P. A.**

**P. O. Box 1986**

**Santa Fe, New Mexico 87404-1986**

December 21, 2004

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

*Division Administrative Order NSL-5144*

Dear Mr. Hall:

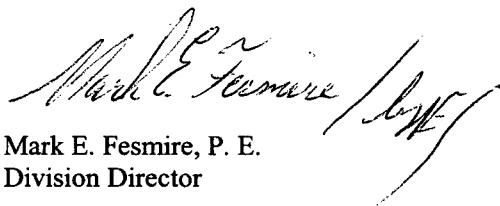
Reference is made to the following: (i) your application on behalf of the operator, Patina San Juan Incorporated, submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe on December 15, 2004 (*administrative application reference No. pSEM0-435126564*); and (ii) the Division's records in Aztec and Santa Fe: all concerning Patina San Juan Incorporated'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, for its proposed Montoya Well No. 1-C to be drilled at an unorthodox infill gas well location 225 feet from the South line and 2180 feet from the East line (Unit O) of Section 35, Township 32 North, Range 13 West, NMPM, Blanco-Mesaverde Pool (72319), San Juan County, New Mexico.

The Blanco-Mesaverde gas production from this well is to be included within an existing standard 320-acre stand-up gas spacing and proration unit ("GPU") comprising the E/2 of Section 35 that is currently dedicated to Patina San Juan Incorporated's Montoya Well No. 1-M (API No. 30-045-23008), located at a standard gas well location 1550 feet from the South line and 790 feet from the East line (Unit I) of Section 35.

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 above-described unorthodox Blanco-Mesaverde infill gas well location for Patina San Juan Incorporated's proposed Montoya Well No. 1-C is hereby approved. Further, both of the aforementioned Montoya Wells No. 1-M and 1-C, and existing 320-acre GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico and to the Blanco-Mesaverde Pool.

Sincerely,



Mark E. Fesmire, P. E.  
Division Director

MEF/ms

cc: New Mexico Oil Conservation Division – Aztec