



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



September 25, 2008

Jicarilla Apache Energy Corporation
Attn: Mr. Jesse D. Evans
2300 Dulce Rock Dr.
Dulce, NM 87528

Administrative Order NSP-1926

**Re: Jicarilla Apache Energy Corporation
Apache JVA Well No. 5A
API No. 30-039-30515
E/2 (equivalent) of Section 29-27N-2W
Rio Arriba County**

Dear Mr. Evans:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-24231992**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on August 28, 2008; and

(b) the Division's records pertinent to your request.

Jicarilla Apache Energy Corporation (JAEC) has requested approval of a non-standard 216.25-acre, more or less, gas spacing and proration unit in the Blanco-Mesaverde Gas Pool (72319), consisting of Lots 1 and 2 and the NE/4 (E/2 equivalent) of Section 29, Township 27 North, Range 2 West, NMPM, in Rio Arriba County, New Mexico. Spacing in this pool is governed by the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool, as amended by Order No. R-10987-A(1), effective December 2, 2002, which generally provide for 320-acre units comprising the E/2, W/2, N/2 or S/2 of a governmental section. The proposed non-standard gas spacing unit will be dedicated to JAEC's Apache JVA Well No. 5A (API No. 30-039-30515), located at a standard Mesaverde gas well location, 660 feet from the South line and 1052 feet from the East line (Lot 1) of Section 29, Township 27 North, Range 2 West, NMPM in Rio Arriba County, New Mexico.

Your application has been duly filed under the provisions of Division Rules 104.D(2) and 1210.A(3).

Oil Conservation Division * 1220 South St. Francis Drive
* Santa Fe, New Mexico 87505

* Phone: (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>



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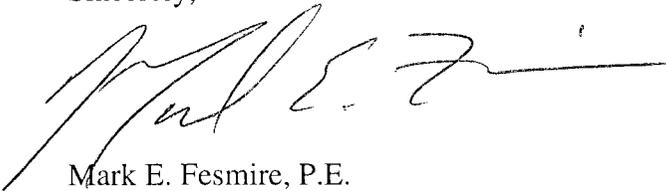
We understand that you are seeking establishment of this non-standard unit due to irregularity of the governmental section.

No tract in this half section equivalent is excluded from the proposed unit. It is our understanding that notice to offsetting owners or operators is unnecessary due to common ownership.

Pursuant to the authority granted me under the provisions of Rule 104.D(2)(b), the above-described non-standard 216.25-acre, more or less Blanco-Mesaverde gas spacing and proration unit is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a long horizontal line extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec
United States Bureau of Land Management - Farmington