

RODEY, DICKASON, SLOAN, AKIN & ROBB, P. A.

COUNSELORS AND ATTORNEYS AT LAW

315 PASEO DE PERALTA
SANTA FE, NEW MEXICO 87501-1860

P.O. BOX 1357
SANTA FE, NEW MEXICO 87504-1357

Sunny J. Nixon

TELEPHONE (505) 954-3900

FACSIMILE (505) 954-3942

Direct Number: (505) 954-
3917

August 19, 2003

HAND-DELIVERED

Ms. Lori Wrotenbery, Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Amended Application of El Paso Energy Raton, L.L.C.
for Approvals of Non-Standard/Irregular Spacing Units
and Certain Non-Standard Setbacks for Unorthodox
Well Locations for Coalbed Methane Gas Wells and
any Other Approvals Required for such Units, Setbacks
and Wells in Colfax County, New Mexico -
NMOCD Case No. 13097.

RECEIVED

AUG 19 2003

Oil Conservation Division

Dear Ms. Wrotenbery:

El Paso Energy Raton, L.L.C., Applicant in New Mexico Oil Conservation Division (NMOCD) Case No. 13097, files the enclosed Amended Application in the above referenced case to increase the number of non-standard/irregular spacing units from twenty (20) in its Application to twenty-one (21) units in its Amended Application. El Paso's Amended Application also amends its Application to request that the NMOCD's standard setbacks to inner boundaries (providing that wells be located no closer than ten (10) feet to any quarter-quarter section or subdivision inner boundary) will not apply to El Paso's well locations.

This Amended Application in Case No. 13097 will require **re-advertisement of the case** pursuant to NMOCD Rules 1204 and 1205 at least 20 days prior to the September 18, 2003 Examiner Docket, on which El Paso requests this Amended Application be set for hearing. Accordingly, we enclose two copies of Applicant's Proposed Advertisement of this Amended Application. We understand the NMOCD publishes this Advertisement.

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.
Ms. Lori Wrotenbery, Director
August 19, 2003
Page 2

Because El Paso is filing this Amended Application, which requires re-advertisement and 20-day service, El Paso also requests a **continuance of hearing of this Case No. 13097 from the NMOCD's August 21, 2003 hearing docket until its September 18, 2003 hearing date.** El Paso is also engaged in settlement discussions with the Bureau of Land Management (BLM) on its objection to El Paso's Application. El Paso understands that if no formal order is entered granting its Request for Continuance of Hearing prior to the August 21, 2003 hearing, such requests are routinely granted at the opening of the hearing on August 21, 2003, if the request has been made by Applicant, and that Applicant need not attend the hearing.

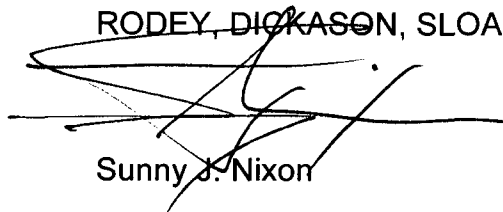
Therefore, on behalf of Applicant, please find enclosed the following:

1. The original Amended Application, along with two (2) copies, which El Paso requests be set for hearing on the Examiner's Docket now scheduled for September 18, 2003;
2. Applicant's Proposed Advertisement of the Amended Application (along with two (2) copies) of this case for the NMOCD Docket of September 18, 2003; and,
3. Certificate of Mailing and Compliance with Division Rule 1207 (Order R-8054) and Notice of Hearing (along with two (2) copies).

We also enclose an extra copy of each of the above, which we ask be conformed with the NMOCD date and time stamp and returned to our courier. Thank you.

Very truly yours,

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.



Sunny J. Nixon

SJN/tc
Enclosures

CC: Notice List attached to Certificate of Mailing (w/encls.)
G. Kevin Cunningham (w/encls.)
Paul H. Dowden (w/encls.)

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

CASE NO. 13097

**AMENDED APPLICATION OF EL PASO ENERGY RATON, L.L.C.
FOR APPROVALS OF NON-STANDARD/IRREGULAR
SPACING UNITS AND CERTAIN NON-STANDARD
SETBACKS FOR UNORTHODOX WELL LOCATIONS
FOR COALBED METHANE GAS WELLS AND ANY
OTHER APPROVALS REQUIRED FOR SUCH UNITS,
SETBACKS AND WELLS IN COLFAX COUNTY, NEW MEXICO.**

RECEIVED

AUG 19 2003

Oil Conservation Division

AMENDED APPLICATION

Comes now EL PASO ENERGY RATON, L.L.C. ("El Paso") and applies to the New Mexico Oil Conservation Division ("Division") for approval of twenty-one (21) non-standard/irregular coalbed methane ("CBM") gas spacing units and certain non-standard setbacks for unorthodox well locations to be configured from portions of:

Projected Sections 3, 4, and 10, T29N, R18E, NMPM;
Projected Sections 21, 22, 23 and 24, T30N, R17E, NMPM; and
Projected Sections 29, 30, 32 and 33, T30N, R18E, NMPM;
All within the Maxwell Land and Beaubien and Miranda Grants in Colfax County,
New Mexico.

These non-standard/irregular spacing units are necessary because of the irregular boundary line between El Paso's mineral interest and the mineral interest of the United States administered by the United States Forest Service ("USFS") and the United States Bureau of Land Management ("BLM") in the Carson National Forest. **See Exhibits 1A and 1B (together sometimes referred to collectively as Exhibit 1).** Exhibits 1A and 1B are plats showing El Paso's proposed 21 non-standard/irregular spacing units, the proposed non-standard setbacks for the unorthodox locations of wells in each of these spacing units and the irregular boundary between El Paso's mineral interest and the mineral interest of the United States. El Paso's proposed

spacing units and setbacks for well locations will not result in more than one (1) well for each projected 160 acres (or four (4) wells for every projected 640 acres), *albeit* the irregular boundary has necessitated the non-standard/irregular spacing units. El Paso has requested, but the United States, through the USFS and the BLM, has failed to issue oil and gas leases of its mineral interest for CBM production on its side of the irregular boundary line.

El Paso also seeks the Division's approval for certain non-standard setbacks for the unorthodox location of wells. **See Exhibit 1.** El Paso proposes to locate and drill no more than one well in each of the non-standard/irregular spacing units. In locating its wells, El Paso will maintain in its proposed spacing units the Division's standard 660 feet setback along the outer irregular boundary with the United States. On the remaining outer boundaries of the spacing units (at which El Paso is the sole adjoining gas interest owner), El Paso proposes 200 feet non-standard setbacks from these boundaries in locating its wells. El Paso also proposes that the Division's setbacks to inner boundaries (providing that wells be located no closer than 10 feet to any quarter-quarter section or subdivision inner boundary) will not apply to El Paso's well locations. These wells are proposed to be completed from the top of the Raton coal seam to the base of the Vermejo coal seam situated in the Raton Basin. This area is approximately 36 miles southwest of Raton, New Mexico.

In support of its Application, El Paso states:

(1) El Paso is the operator of these proposed non-standard spacing units which contain certain irregular subdivisions of projected sections. **See Exhibit 1 (plats) attached.**

(2) Because of the irregular boundary line between El Paso's mineral interest and the mineral interest of the United States, there are certain subdivisions of projected sections which are irregular in shape and size. **See Exhibit 1 attached.** El Paso's proposed spacing units and the irregular boundary line lie within portions of the original Maxwell and Beaubien and Miranda Grants in which the same legal sections and subdivisions of the United States Public Land have been projected. The Division's standard spacing unit consists of 160 surface contiguous acres, more or less, substantially in the form of a square, which constitutes a quarter section and legal subdivision of the United States Public Land Surveys. Because of the irregular boundary line between El Paso and the United States, El Paso's proposed non-standard/irregular spacing units are required to locate its proposed wells and to prevent waste. These spacing units will prevent waste and protect correlative rights.

(3) El Paso has requested, but the United States, through the USFS and BLM, has failed to issue oil and gas leases of its mineral interest for CBM production on its side of the irregular boundary line.

(4) El Paso's proposed non-standard/irregular spacing units are listed on the attached list. **See Exhibit 2 (list) attached.**

(5) El Paso proposes to drill twenty-one (21) wells. These wells will be located on the non-standard/irregular gas spacing units and within the designated setbacks. **See Exhibit 1 attached.** El Paso will locate one well in each proposed spacing unit no closer than 660 feet from the irregular outer boundary line between El Paso's and the United States' mineral interests and thereby will comply with the Division's standard setback requirement for well locations. El Paso proposes to locate one well in each spacing unit no closer than 200 feet from the remaining outer boundaries (on which El Paso is the sole adjoining mineral interest owner of gas). El Paso's proposed 200 feet setbacks will deviate from the Division's standard 660 feet setback rule and thereby may result in unorthodox well locations. El Paso also proposes that the Division's standard setbacks to inner boundaries (providing that wells be located no closer than 10 feet to any quarter-quarter section or subdivision inner boundary) will not apply to El Paso's well locations.

(6) El Paso proposes 200 feet non-standard setbacks and no inner boundary setbacks for the unorthodox well locations because the rough terrain and the surface owner's decisions necessitate flexibility in locating and drilling wells. At the outset, the Division's approval of these setbacks for El Paso's unorthodox location of wells, as dictated by the terrain, topography and surface owner's decisions at or near the time the wells are drilled, will provide the necessary flexibility to enable El Paso to drill one well within each spacing unit. **See Exhibit 1 with proposed setbacks shown for each proposed non-standard/irregular spacing unit.**

(7) The wells to be drilled within setbacks shown on Exhibit 1 are the first wells within the proposed non-standard/irregular spacing units.

(8) These proposed non-standard/irregular spacing units with certain non-standard setbacks and unorthodox well locations have not been previously approved by the Division.

(9) Approval of this Amended Application will afford El Paso the opportunity to produce its just and equitable share of the gas in the proposed spacing units, promote the orderly development of this area, prevent reduced recovery from drilling of too few wells and otherwise prevent waste and protect correlative rights.

(10) Notice of this Amended Application has been sent to the United States through the United States Department of Agriculture - United States Forest Service and the United States Department of the Interior - United States Bureau of Land Management as all of the interest owners and the only persons that may be affected by

this Amended Application pursuant to OCD Rule 1207, more particularly set forth in Exhibit 3 hereto. **See Exhibit 3 Notice List.**

WHEREFORE El Paso requests that this matter be set for hearing on September 18, 2003, before the duly appointed Examiner of the Oil Conservation Division and that after notice and hearing as required by law, the Division enter its order granting this Amended Application.

Respectfully submitted,

G. Kevin Cunningham
Senior Counsel
El Paso Production Company
9 Greenway Plaza – Suite 1886
Houston, Texas 77046

and

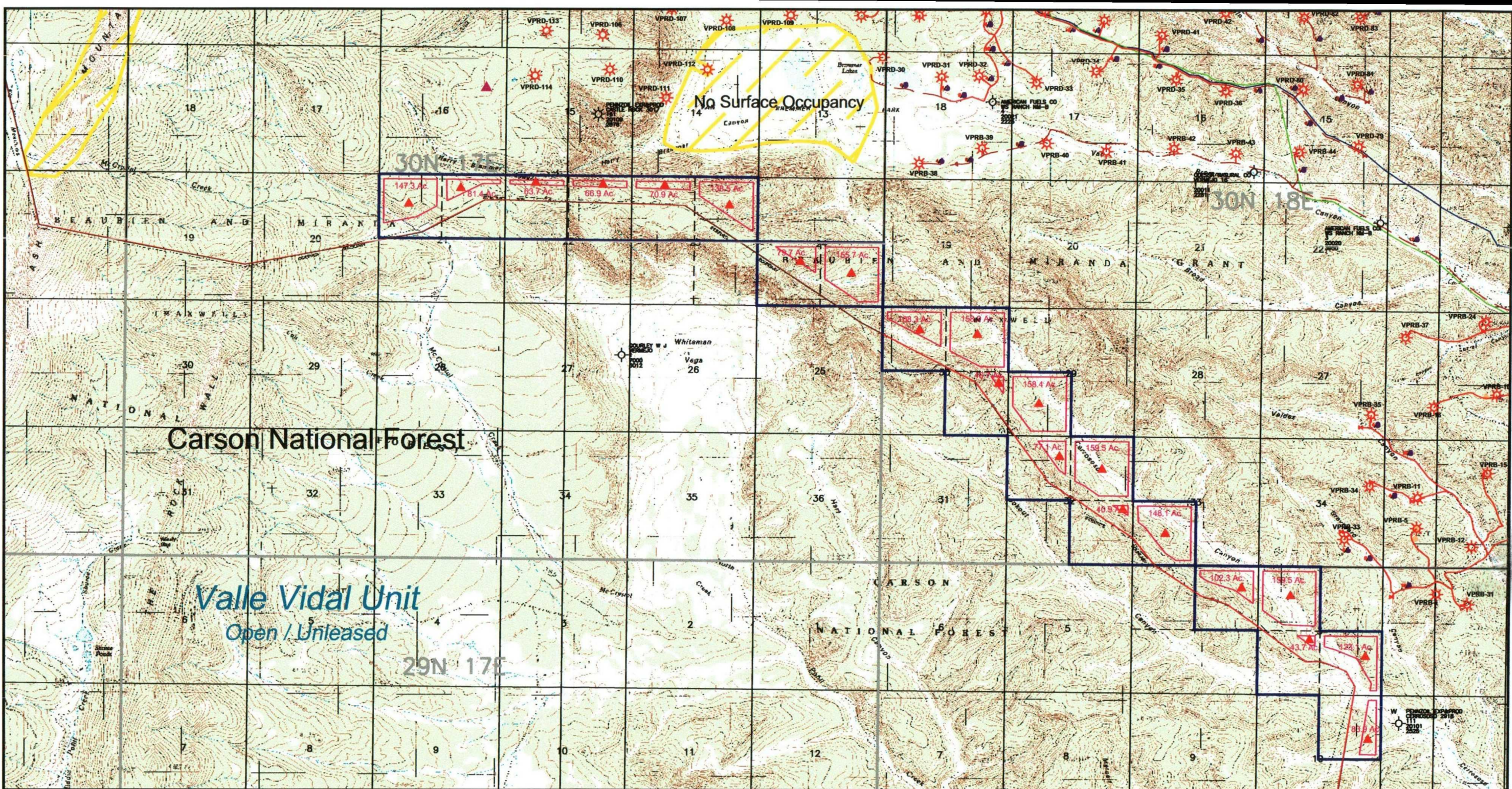
RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.

By


Mark K. Adams
Sunny J. Nixon

P O Box 1357
315 Paseo de Peralta
Santa Fe, New Mexico 87504-1357
(505) 954-3917– Telephone
(505) 954-3942–Facsimile

Attorneys for Applicant
El Paso Energy Raton, L.L.C.



el paso Production

Vermejo Ranch-Valle Vidal Area

Colfax County, New Mexico

Approx. Scale 1"= 5000'

Exhibit : **1B**

EXHIBIT 2

	Wells	Section	Qtr/Sec	T&R	El Paso Net Acres *	USA Net Acres *	County
1	Non-Standard Location #9	Section 30	NW/4	T-30-N, R-18-E	108.3	51.7	Colfax
2	Non-Standard Location #8	Section 24	SE/4	T-30-N, R-17-E	155.7	4.3	Colfax
3	Non-Standard Location #7	Section 24	SW/4	T-30-N, R-17-E	79.7	80.3	Colfax
4	Non-Standard Location #6	Section 23	NE/4	T-30-N, R-17-E	138.5	21.5	Colfax
5	Non-Standard Location #5	Section 23	NW/4	T-30-N, R-17-E	70.9	89.1	Colfax
6	Non-Standard Location #4	Section 22	NW/4	T-30-N, R-17-E	63.67	96.33	Colfax
7	Non-Standard Location #3	Section 22	NE/4	T-30-N, R-17-E	66.9	93.1	Colfax
8	Non-Standard Location #21	Section 10	NE/4	T-29-N, R-18-E	83.9	76.1	Colfax
9	Non-Standard Location #20	Section 3	SE/4	T-29-N, R-18-E	123.1	36.9	Colfax
10	Non-Standard Location #2	Section 21	NE/4	T-30-N, R-17-E	81.4	78.6	Colfax
11	Non-Standard Location #19	Section 3	SW/4	T-29-N, R-18-E	43.7	116.3	Colfax
12	Non-Standard Location #18	Section 3	NW/4	T-29-N, R-18-E	159.5	0.5	Colfax
13	Non-Standard Location #17	Section 4	NE/4	T-29-N, R-18-E	102.3	57.7	Colfax
14	Non-Standard Location #16	Section 33	SW/4	T-30-N, R-18-E	148.1	11.9	Colfax
15	Non-Standard Location #15	Section 32	SE/4	T-30-N, R-18-E	40.9	119.1	Colfax
16	Non-Standard Location #14	Section 32	NE/4	T-30-N, R-18-E	159.5	0.5	Colfax
17	Non-Standard Location #13	Section 32	NW/4	T-30-N, R-18-E	77.1	82.9	Colfax
18	Non-Standard Location #12	Section 29	SW/4	T-30-N, R-18-E	158.4	1.6	Colfax
19	Non-Standard Location #11	Section 30	SE/4	T-30-N, R-18-E	46.7	113.3	Colfax
20	Non-Standard Location #10	Section 30	NE/4	T-30-N, R-18-E	158.9	1.1	Colfax
21	Non-Standard Location #1	Section 21	NW/4	T-30-N, R-17-E	147.3	12.7	Colfax
	* Subject to final survey						

NOTICE LIST

United States Department of Agriculture
United States Forest Service
333 Broadway SE
Albuquerque, NM 87102
Attn: H. Wayne Thornton
Director Land & Minerals

United States Forest Service
Carson National Forest
208 Cruz Alta Rd.
Taos, NM 87571
Attn: Martin Chavez, Jr.
Forest Supervisor

United States Department of the Interior
Bureau of Land Management
New Mexico State Office
P. O. Box 27115, 1474 Rodeo Road
Santa Fe, New Mexico 87502-0115
Attn: Carsten F. Goff, Deputy State Director
Resource, Planning, Use and Protection

United States Department of the Interior
Bureau of Land Management - Field Office
435 Montano Rd NE
Albuquerque, NM 87107-4935
Attn: Edwin Singleton, Field Office Manager



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

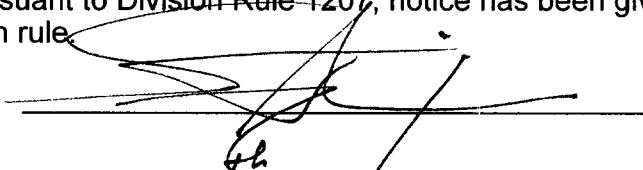
CASE NO. 13097

AMENDED APPLICATION OF EL PASO ENERGY RATON, L.L.C.
FOR APPROVALS OF NON-STANDARD/IRREGULAR
SPACING UNITS AND CERTAIN NON-STANDARD
SETBACKS FOR UNORTHODOX WELL LOCATIONS
FOR COALBED METHANE GAS WELLS AND ANY
OTHER APPROVALS REQUIRED FOR SUCH UNITS,
SETBACKS AND WELLS IN COLFAX COUNTY, NEW MEXICO.


CERTIFICATE OF MAILING
AND
COMPLIANCE WITH DIVISION RULE 1207 (ORDER R-8054)

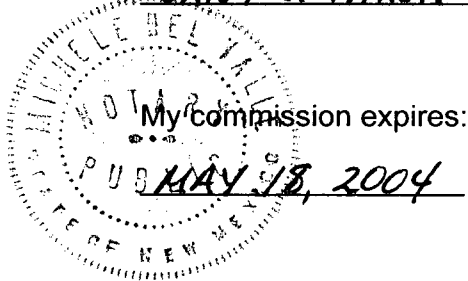
STATE OF NEW MEXICO)
 : SS
COUNTY OF SANTA FE)

Sunny J. Nixon, being first duly sworn, hereby certifies that the undersigned is an attorney for the Applicant and responsible for notification in this matter and that the notice provisions of Division Rule 1207 (Order R-8054) have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested parties entitled to receive notice, that on August 19, 2003, the undersigned caused to be mailed by certified mail return receipt requested the attached notice of this hearing and a copy of the Amended Application for the above referenced case, at least twenty days prior to the hearing of this case scheduled for September 18, 2003 to the persons shown in said Amended Application and as evidenced by the attached copies of return receipt cards and/or evidence of certified mailing, and that pursuant to Division Rule 1207, notice has been given at the correct addresses provided by such rule.



SUBSCRIBED AND SWORN to before me this 19th day of August, 2003, by
SUNNY J. NIXON


Notary Public



ROBERT M. ST. JOHN
JOSEPH J. MULLINS
MARK K. ADAMS
BRUCE HALL
JOHN P. SALAZAR
JOHN P. BURTON
REX D. THROCKMORTON
JONATHAN W. HEWES
RICHARD C. MINZNER
W. ROBERT LASATER, JR.
MARK C. MEIERING
CATHERINE T. GOLDBERG
TRAVIS R. COLLIER
EDWARD RICCO
W. MARK MOWERY
PATRICK M. SHAY
NANCY J. APPLEBY
ELLEN T. SKRAK
TRACY M. JENKS
HENRY M. BOHNHOFF
CHARLES K. PURCELL
ANDREW G. SCHULTZ
JOHN M. BRANT
SCOTT D. GORDON
DEWITT M. MORGAN
MARK A. SMITH
R. NELSON FRANSE
THERESA W. PARRISH
PAUL R. KOLLER
JAMES P. BIEG
CHARLES J. VIGIL
THOMAS L. STAHL

DAVID W. BUNTING
LESLIE MCCARTHY AFODACA
SUSAN BARGER FOX
MacDONNELL GORDON
WILLIAM J. ARLAND
JAMES A. ASKEW
JEFFREY M. CROASDELL
SUNNY J. NIXON
JEFFREY L. LOWRY
DEBORAH E. MANN
R. TRACY SPROULS
DONALD B. MONNHEIMER
ALAN HALL
BRIAN H. LEMATTA
JULIE P. NEERKEN
THOMAS A. OUTLER
SETH L. SPARKS
NELSE T. SCHRECK
KARLA K. POE
LISA A. CHAVEZ
JOCELYN C. DRENNAN
MICHAEL J. BRESCIA
MICHELLE HENRIE
DEBORAH S. GILLE
AARON C. VIETS
KIMBERLY N. BELL
KURT B. GILBERT
BRENDA M. MALONEY
MATTHEW S. WERMAGER
LARRY J. MONTAÑO
JESSICA M. HERNANDEZ

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SANTA FE, NEW MEXICO 87501-2034

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August 19, 2003

OF COUNSEL
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JOHN D. ROBB
JAMES C. RITCHIE
JO SEXTON BRAYER
ROBERT G. McCORKLE

BERNARD S. RODEY (1856-1927)
PEARCE C. RODEY (1889-1958)
DON L. DICKASON (1906-1998)
WILLIAM A. SLOAN (1910-1993)

OFFICES IN
ALBUQUERQUE AND WASHINGTON, DC

WRITERS DIRECT NUMBER
(505) 954-3917

SJNIXON@RODEY.COM

TO: **PERSONS ON NOTICE LIST ATTACHED AS EXHIBIT A**

**NOTICE OF HEARING OF THE FOLLOWING NEW MEXICO
OIL CONSERVATION DIVISION CASE:**

Re: **AMENDED APPLICATION OF EL PASO ENERGY RATON, L.L.C.
FOR APPROVALS OF NON-STANDARD/IRREGULAR
SPACING UNITS AND CERTAIN NON-STANDARD
SETBACKS FOR UNORTHODOX WELL LOCATIONS
FOR COALBED METHANE GAS WELLS AND ANY
OTHER APPROVALS REQUIRED FOR SUCH UNITS,
SETBACKS AND WELLS IN COLFAX COUNTY, NEW MEXICO.**

On behalf of El Paso Energy Raton, L.L.C. (Applicant), please find enclosed our Amended Application (Exhibit B) with attached plats, which has been set for hearing on the New Mexico Oil Conservation Division examiner's docket now scheduled for September 18, 2003, commencing at 8:15 a.m. The hearing will be held at the Division hearing room located at 1220 South St. Francis Drive, Santa Fe, New Mexico.

As an interest owner who may be affected by this Amended Application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the Amended Application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to the Division's Memorandum 2-90 and Rule 1208, you are further notified that if you desire to appear in this case, then you are required to file a Pre-Hearing Statement with the Division not later than 4:00 P.M. on Friday, September 12, 2003, with a copy delivered to the undersigned, and you must file an Entry of Appearance to receive other parties' pre-hearing statements. Please direct any questions to Paul H. Dowden at (832) 676-3489 or Sunny J. Nixon at (505) 954-3917.

Very truly yours,

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.

Sunny J. Nixon

SJN/tc
Enclosure

cc: Persons on Notice List Attached (w/Encl.)
G. Kevin Cunningham (w/Encl.)
Paul H. Dowden (w/Encl.)

NOTICE LIST

United States Department of Agriculture
United States Forest Service
333 Broadway SE
Albuquerque, NM 87102
Attn: H. Wayne Thornton
Director Land & Minerals

United States Forest Service
Carson National Forest
208 Cruz Alta Rd.
Taos, NM 87571
Attn: Martin Chavez, Jr.
Forest Supervisor

United States Department of the Interior
Bureau of Land Management
New Mexico State Office
P. O. Box 27115, 1474 Rodeo Road
Santa Fe, New Mexico 87502-0115
Attn: Carsten F. Goff, Deputy State Director
Resource, Planning, Use and Protection

United States Department of the Interior
Bureau of Land Management - Field Office
435 Montano Rd NE
Albuquerque, NM 87107-4935
Attn: Edwin Singleton, Field Office Manager



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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
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CASE NO. 13097

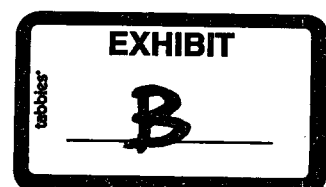
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AMENDED APPLICATION

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Projected Sections 3, 4, and 10, T29N, R18E, NMPM;
Projected Sections 21, 22, 23 and 24, T30N, R17E, NMPM; and
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spacing units and setbacks for well locations will not result in more than one (1) well for each projected 160 acres (or four (4) wells for every projected 640 acres), *albeit* the irregular boundary has necessitated the non-standard/irregular spacing units. El Paso has requested, but the United States, through the USFS and the BLM, has failed to issue oil and gas leases of its mineral interest for CBM production on its side of the irregular boundary line.

El Paso also seeks the Division's approval for certain non-standard setbacks for the unorthodox location of wells. **See Exhibit 1.** El Paso proposes to locate and drill no more than one well in each of the non-standard/irregular spacing units. In locating its wells, El Paso will maintain in its proposed spacing units the Division's standard 660 feet setback along the outer irregular boundary with the United States. On the remaining outer boundaries of the spacing units (at which El Paso is the sole adjoining gas interest owner), El Paso proposes 200 feet non-standard setbacks from these boundaries in locating its wells. El Paso also proposes that the Division's setbacks to inner boundaries (providing that wells be located no closer than 10 feet to any quarter-quarter section or subdivision inner boundary) will not apply to El Paso's well locations. These wells are proposed to be completed from the top of the Raton coal seam to the base of the Vermejo coal seam situated in the Raton Basin. This area is approximately 36 miles southwest of Raton, New Mexico.

In support of its Application, El Paso states:

(1) El Paso is the operator of these proposed non-standard spacing units which contain certain irregular subdivisions of projected sections. **See Exhibit 1 (plats) attached.**

(2) Because of the irregular boundary line between El Paso's mineral interest and the mineral interest of the United States, there are certain subdivisions of projected sections which are irregular in shape and size. **See Exhibit 1 attached.** El Paso's proposed spacing units and the irregular boundary line lie within portions of the original Maxwell and Beaubien and Miranda Grants in which the same legal sections and subdivisions of the United States Public Land have been projected. The Division's standard spacing unit consists of 160 surface contiguous acres, more or less, substantially in the form of a square, which constitutes a quarter section and legal subdivision of the United States Public Land Surveys. Because of the irregular boundary line between El Paso and the United States, El Paso's proposed non-standard/irregular spacing units are required to locate its proposed wells and to prevent waste. These spacing units will prevent waste and protect correlative rights.

(3) El Paso has requested, but the United States, through the USFS and BLM, has failed to issue oil and gas leases of its mineral interest for CBM production on its side of the irregular boundary line.

(4) El Paso's proposed non-standard/irregular spacing units are listed on the attached list. **See Exhibit 2 (list) attached.**

(5) El Paso proposes to drill twenty-one (21) wells. These wells will be located on the non-standard/irregular gas spacing units and within the designated setbacks. **See Exhibit 1 attached.** El Paso will locate one well in each proposed spacing unit no closer than 660 feet from the irregular outer boundary line between El Paso's and the United States' mineral interests and thereby will comply with the Division's standard setback requirement for well locations. El Paso proposes to locate one well in each spacing unit no closer than 200 feet from the remaining outer boundaries (on which El Paso is the sole adjoining mineral interest owner of gas). El Paso's proposed 200 feet setbacks will deviate from the Division's standard 660 feet setback rule and thereby may result in unorthodox well locations. El Paso also proposes that the Division's standard setbacks to inner boundaries (providing that wells be located no closer than 10 feet to any quarter-quarter section or subdivision inner boundary) will not apply to El Paso's well locations.

(6) El Paso proposes 200 feet non-standard setbacks and no inner boundary setbacks for the unorthodox well locations because the rough terrain and the surface owner's decisions necessitate flexibility in locating and drilling wells. At the outset, the Division's approval of these setbacks for El Paso's unorthodox location of wells, as dictated by the terrain, topography and surface owner's decisions at or near the time the wells are drilled, will provide the necessary flexibility to enable El Paso to drill one well within each spacing unit. **See Exhibit 1 with proposed setbacks shown for each proposed non-standard/irregular spacing unit.**

(7) The wells to be drilled within setbacks shown on Exhibit 1 are the first wells within the proposed non-standard/irregular spacing units.

(8) These proposed non-standard/irregular spacing units with certain non-standard setbacks and unorthodox well locations have not been previously approved by the Division.

(9) Approval of this Amended Application will afford El Paso the opportunity to produce its just and equitable share of the gas in the proposed spacing units, promote the orderly development of this area, prevent reduced recovery from drilling of too few wells and otherwise prevent waste and protect correlative rights.

(10) Notice of this Amended Application has been sent to the United States through the United States Department of Agriculture - United States Forest Service and the United States Department of the Interior - United States Bureau of Land Management as all of the interest owners and the only persons that may be affected by

this Amended Application pursuant to OCD Rule 1207, more particularly set forth in Exhibit 3 hereto. **See Exhibit 3 Notice List.**

WHEREFORE El Paso requests that this matter be set for hearing on September 18, 2003, before the duly appointed Examiner of the Oil Conservation Division and that after notice and hearing as required by law, the Division enter its order granting this Amended Application.

Respectfully submitted,

G. Kevin Cunningham
Senior Counsel
El Paso Production Company
9 Greenway Plaza – Suite 1886
Houston, Texas 77046

and

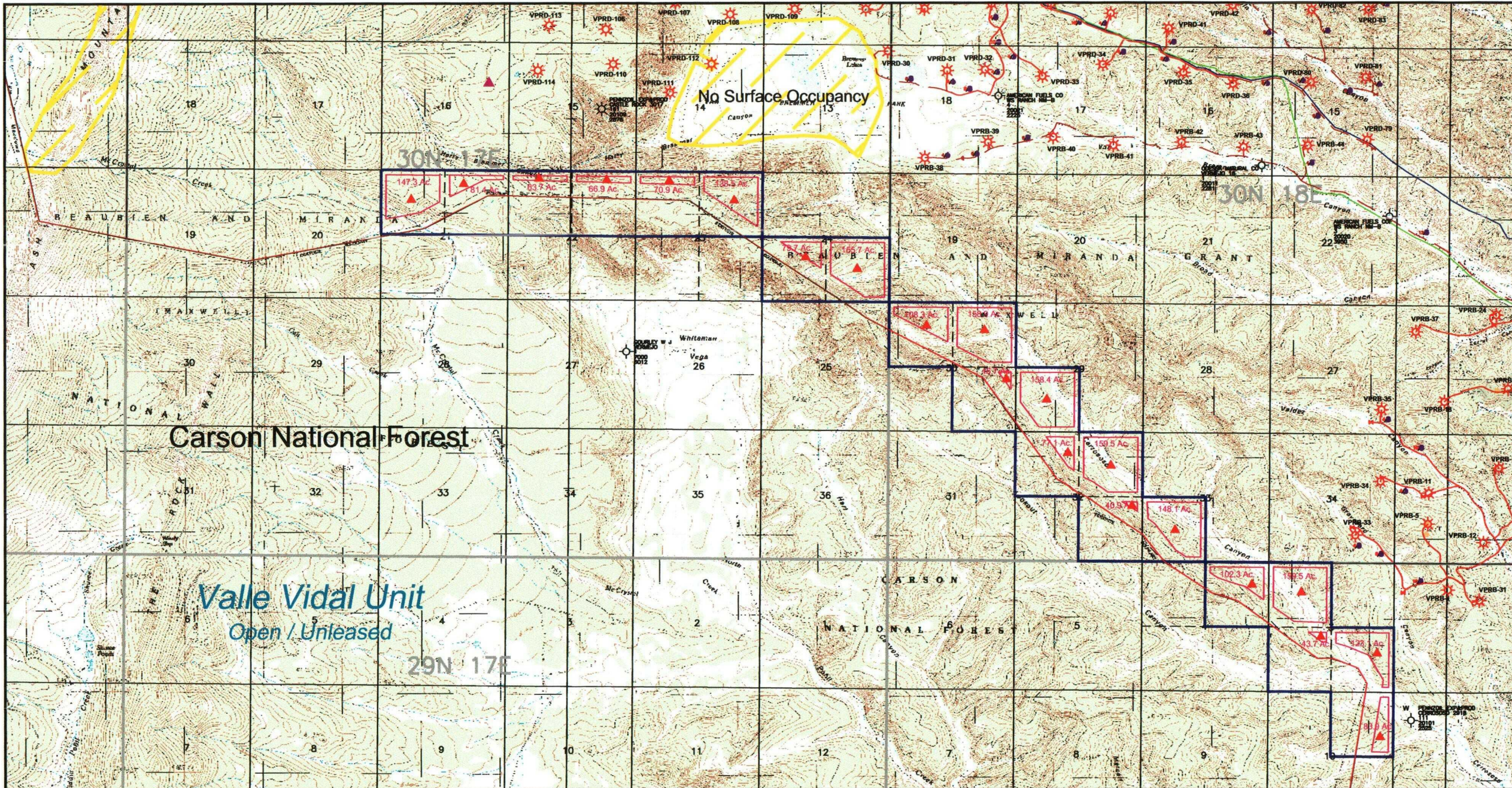
RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.

By 

Mark K. Adams
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(505) 954-3942–Facsimile

Attorneys for Applicant
El Paso Energy Raton, L.L.C.



Vermejo Ranch-Valle Vidal Area

Colfax County, New Mexico

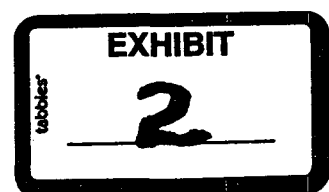
- Application area
- Property Line
- Irregular unit configurations (200' & 660' Offsets)

Approx. Scale 1"= 5000'

Exhibit : 1B

EXHIBIT 2

	Wells	Section	Qtr/Sec	T&R	El Paso Net Acres *	USA Net Acres *	County
1	Non-Standard Location #9	Section 30	NW/4	T-30-N, R-18-E	108.3	51.7	Colfax
2	Non-Standard Location #8	Section 24	SE/4	T-30-N, R-17-E	155.7	4.3	Colfax
3	Non-Standard Location #7	Section 24	SW/4	T-30-N, R-17-E	79.7	80.3	Colfax
4	Non-Standard Location #6	Section 23	NE/4	T-30-N, R-17-E	138.5	21.5	Colfax
5	Non-Standard Location #5	Section 23	NW/4	T-30-N, R-17-E	70.9	89.1	Colfax
6	Non-Standard Location #4	Section 22	NW/4	T-30-N, R-17-E	63.67	96.33	Colfax
7	Non-Standard Location #3	Section 22	NE/4	T-30-N, R-17-E	66.9	93.1	Colfax
8	Non-Standard Location #21	Section 10	NE/4	T-29-N, R-18-E	83.9	76.1	Colfax
9	Non-Standard Location #20	Section 3	SE/4	T-29-N, R-18-E	123.1	36.9	Colfax
10	Non-Standard Location #2	Section 21	NE/4	T-30-N, R-17-E	81.4	78.6	Colfax
11	Non-Standard Location #19	Section 3	SW/4	T-29-N, R-18-E	43.7	116.3	Colfax
12	Non-Standard Location #18	Section 3	NW/4	T-29-N, R-18-E	159.5	0.5	Colfax
13	Non-Standard Location #17	Section 4	NE/4	T-29-N, R-18-E	102.3	57.7	Colfax
14	Non-Standard Location #16	Section 33	SW/4	T-30-N, R-18-E	148.1	11.9	Colfax
15	Non-Standard Location #15	Section 32	SE/4	T-30-N, R-18-E	40.9	119.1	Colfax
16	Non-Standard Location #14	Section 32	NE/4	T-30-N, R-18-E	159.5	0.5	Colfax
17	Non-Standard Location #13	Section 32	NW/4	T-30-N, R-18-E	77.1	82.9	Colfax
18	Non-Standard Location #12	Section 29	SW/4	T-30-N, R-18-E	158.4	1.6	Colfax
19	Non-Standard Location #11	Section 30	SE/4	T-30-N, R-18-E	46.7	113.3	Colfax
20	Non-Standard Location #10	Section 30	NE/4	T-30-N, R-18-E	158.9	1.1	Colfax
21	Non-Standard Location #1	Section 21	NW/4	T-30-N, R-17-E	147.3	12.7	Colfax
	* Subject to final survey						



NOTICE LIST

United States Department of Agriculture
United States Forest Service
333 Broadway SE
Albuquerque, NM 87102
Attn: H. Wayne Thornton
Director Land & Minerals

United States Forest Service
Carson National Forest
208 Cruz Alta Rd.
Taos, NM 87571
Attn: Martin Chavez, Jr.
Forest Supervisor

United States Department of the Interior
Bureau of Land Management
New Mexico State Office
P. O. Box 27115, 1474 Rodeo Road
Santa Fe, New Mexico 87502-0115
Attn: Carsten F. Goff, Deputy State Director
Resource, Planning, Use and Protection

United States Department of the Interior
Bureau of Land Management - Field Office
435 Montano Rd NE
Albuquerque, NM 87107-4935
Attn: Edwin Singleton, Field Office Manager



7000 0520 0021 6895 9112

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Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.57

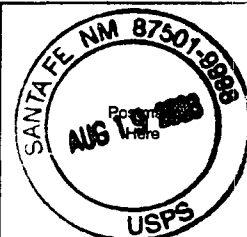


Recipient's Name (Please Print Clearly) (To be completed by mailer)
United States Forest Service
 Carson National Forest
 708 Cruz Alta Rd.
 Taos, New Mexico 87571
 City, State, ZIP+4
 Attn: Martin Chavez, Jr., Forest Sup.
 PS Form 3800, February 2000 See Reverse for Instructions

7000 0520 0021 6895 9129

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Restricted Delivery Fee (Endorsement Required)	
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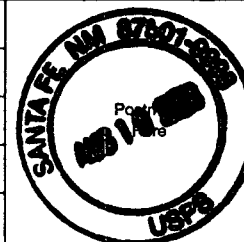


Recipient's Name (Please Print Clearly) (To be completed by mailer)
United States Dept. of Agriculture
 U.S. Forest Service
 333 Broadway SE, Albuquerque, NM 87102
 City, State, ZIP+4
 Attn: H. Wayne Thornton, Dir. Land &
 PS Form 3800, February 2000 See Reverse for Instructions

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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.57

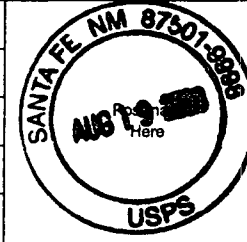


Recipient's Name (Please Print Clearly) (To be completed by mailer)
U.S. Department of the Interior
Bureau of Land Management
 New Mexico State Office, P.O. Box 27115
 1474 Rodeo Road, Santa Fe, NM 87502
 City, State, ZIP+4
 Attn: Carsten F. Goff, Deputy St. Dir.
 PS Form 3800, February 2000 See Reverse for Instructions

7000 0520 0021 6895 9105

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Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.57



Recipient's Name (Please Print Clearly) (To be completed by mailer)
U.S. Department of the Interior
Bureau of Land Management - Field Off.
 435 Montano Rd. NE
 Albuquerque, New Mexico 87107-4935
 City, State, ZIP+4
 Attn: Edwin Singleton, Field Off. Mgr.
 PS Form 3800, February 2000 See Reverse for Instructions

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

CASE NO. 13097

**AMENDED APPLICATION OF EL PASO ENERGY RATON, L.L.C.
FOR APPROVALS OF NON-STANDARD/IRREGULAR
SPACING UNITS AND CERTAIN NON-STANDARD
SETBACKS FOR UNORTHODOX WELL LOCATIONS
FOR COALBED METHANE GAS WELLS AND ANY
OTHER APPROVALS REQUIRED FOR SUCH UNITS,
SETBACKS AND WELLS IN COLFAX COUNTY, NEW MEXICO.**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I caused a true and correct copy of the foregoing

Amended Application and Certificate of Mailing and Compliance with Division Rule 1207

(Order R-8054) with attached Notice of Hearing by El Paso Energy Raton, L.L.C. to be

hand-delivered this 19th day of August, 2003 to the following:

Carsten F. Goff, Deputy State Director
Resource, Planning, Use & Protection
United States Department of the Interior
Bureau of Land Management
New Mexico State Office
1474 Rodeo Road
P. O. Box 27115
Santa Fe, New Mexico 87502-0115
(505) 438-7458 – Facsimile

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.

By


Sunny J. Nixon

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315 Paseo de Peralta
Santa Fe, New Mexico 87504-1357
(505) 954-3917 – Telephone
(505) 954-3942 – Facsimile

Attorneys for Applicant, El Paso Energy Raton, L.L.C.