



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS ROAD - AZTEC
87410

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

August 15, 1972

Mr. Royce McCary
Chace Oil Company
313 Washington S.E.
Albuquerque, New Mexico 87108

Re: Chace Oil Co.
Jicarilla Contract 71 #2
K-9-23N-4W

Dear Mr. McCary:

The location of the subject well is not a standard location for a gas well in the San Juan Basin of New Mexico.

Rule 2 of Order R-1670 requires the wells to be located 990 feet from the outer boundary of the drill tract with a tolerance of 200 feet provided. (Copy enclosed)

The Intention to Drill for the captioned well is approved subject to approval of the location of the well. Production from the well cannot be approved until the location is approved.

If there are questions please contact us.

Yours very truly,

A. R. Kendrick
Engineer, District #3
Encl.

ARK/bk