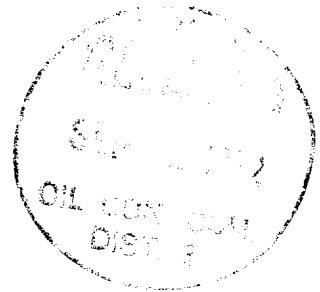




CHACE OIL COMPANY

P.O. Box 14738
Albuquerque, N.M. 87111
(505) 256-0070

September 8, 1972



Oil Conservation Commission
State of New Mexico
1000 Rio Brazos Road
Aztec, New Mexico 87410

Attention: Mr. Emery C. Arnold, Supervisor District #3

Gentlemen:

We have applied to the U.S.G.S. for an unorthodox location in Section 10, T-23-N, R-4-W, Rio Arriba County. This location to be 330' from the north and 330' from the East line of the Section.

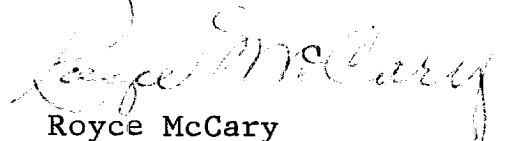
The reason for this location being placed here is due to the very rough terrain as shown on the survey plat attached, and the location would not be economical for a standard location.

We own the lease to the north and half interest with Southern Union in the lease to the east.

Please advise us how to go about getting your approval for this location.

Thanking you in advance for your consideration.

Very truly yours,


Royce McCary

RM/ev
Encls.

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section

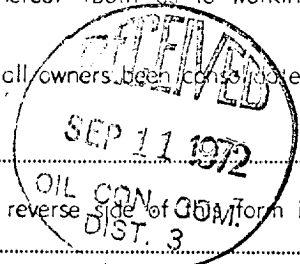
Operator CHACE OIL COMPANY		Lease 71		Well No 26	
Unit Letter A	Section 10	Township 23 NORTH	Range 4 WEST	County RIO ARriba	
Actual Footage Location of Well: 330 feet from the NORTH line and 330 feet from the EAST line					
Ground Level Elev. 7398.0	Producing Formation Pictured Cliffs	Pool Ballard	Dedicated Acreage 160 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

() Yes () No If answer is "yes," type of consolidation

If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of OCM form if necessary)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

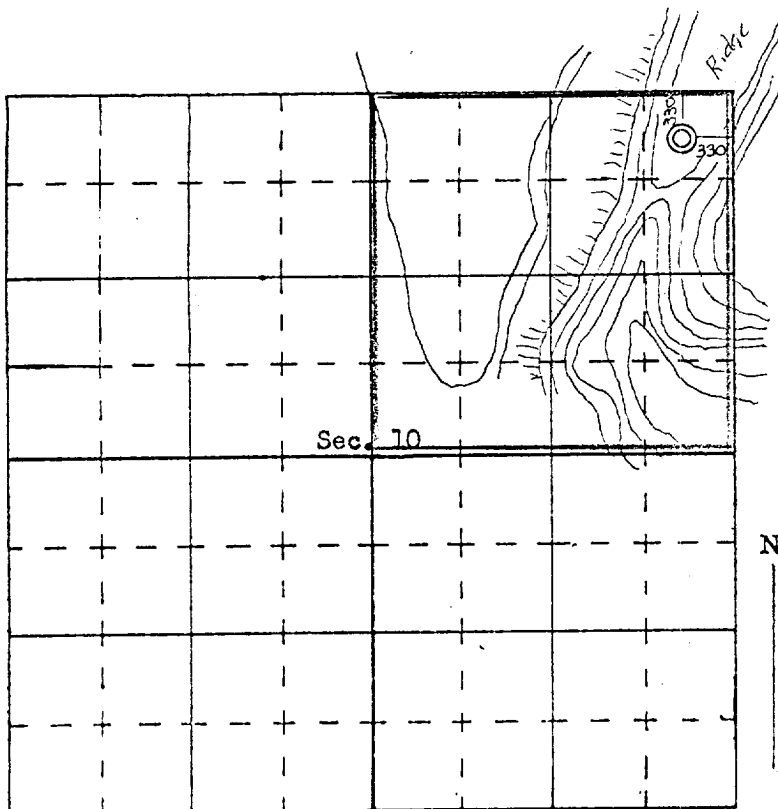
Roger M. Carey
Name
President

Position
Chace Oil Company, Inc.
Company

August 28, 1972
Date

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date
August 28, 1972
Professional Engineer
and Professional Surveyor
JAMES P. LEE
NEW MEXICO
Certificate No.



SCALE—4 INCHES EQUALS 1 MILE

SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.