STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

TONEY ANAYA GOVERNOR

June 21, 1985

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-5800

Sage Energy Company P. O. Drawer 3068 Midland, Texas 79702

Attention: Frances Holzgraf

Administrative Order NSL-2068

Gentlemen:

Reference is made to your application for a non-standard location for your Cities Service State Well No. 3 to be located 460 feet from the South line and 1680 feet from the East line of Section 2, Township 17 South, Range 34 East, NMPM, North Vacuum Abo Pool, Lea County, New Mexico. The S/2 SE/4 of said Section 2 shall be dedicated to the well.

By authority granted me under the provisions of Rule 5 of Order No. R-2421, the above-described unorthodox location is hereby approved.

Sincerely

R. L. STAMETS, DIRECTOR

RLS/DC/dr

cc: Oil Conservation Division - Hobbs

Oil & Gas Division - State Land Office - Santa Fe