OIL CONSERVATION COMMISSION F. O. BOX 871 SANTA FE, NEW MEXICO

May 23, 1958

Banner Drilling Company Arizona Explorations, Inc. 2915 Republic National Bank Building Dallas, Texas

Attention: R. H. Banner

Administrative Order NSL-148

Gentlemen:

Reference is made to your application for approval of an unorthodox well location for your Horseshoe Ute No. 1 Well to be located 445 feet from the South line and 202 feet from the West line and in the SW/4 SW/4 of Section 34, Township 31 North, Range 16 West, Horseshoe Gallup Pool, San Juan County, New Mexico.

It is our understanding that this unorthodox well location is based upon extreme topographic conditions in the SW/4 SW/4 of said section.

Inasmuch as you furnished a waiver from the only offset operator, it is possible for immediate approval to be granted. Therefore, by authority granted me under provisions of Rule 104 (f) of the Commission Rules and Regulations, you are hereby granted an exception to Rule 104 (c) of the Commission Rules and Regulations for the above described unorthodox well location. You must also obtain like approval from the U. S. Geological Survey if the well is located on land subject to the jurisdiction of the U. S. Geological Survey.

Very truly yours,

A. L. PORTER, Jr., Secretary-Director

ALP/OEP/og

cc: Oil Conservation Commission - Aztec U. S. Geological Survey - Farmington