

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

May 15, 1978

JERRY APODACA GOVERNOR

NICK FRANKLIN SECRETARY POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

Dugan Production Corp. P. O. Box 234 Farmington, New Mexico 87401

Administrative Order NSL-944

Gentlemen:

Reference is made to your application for a nonstandard location for your Chaco Well No. 3 located 1700 feet from the North line and 1450 feet from the West line of Section 1, Township 24 North, Range 9 West, NMPM, Undesignated Greenhorn-Mancos Gallup Oil Pool, San Juan County, New Mexico.

By authority granted me under the provisions of Rule 104 F of the Division Rules and Regulations, the above-described unorthodox location is hereby approved.

Very truly yours,

JOE D. RAMEY, Division Director

JDR/RLS/dr

cc: Oil Conservation Division - Aztec Oil & Gas Engineering Committee - Hobbs U. S. Geological Survey - Farmington