

Geo-Engineering

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JAMES W. LAW
Petroleum Engineer
Box 2966, Santa Fe, N.M. 87504
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JAMES R. WOODS
Geological Engineer

#1924
Rule NSL
Dedicated Acreage
NW/4 well
State land
Approve immediately

OK

September 14, 1984

N.M. Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. Gilbert Quintana

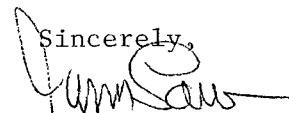
Re: Non-Standard location
Chaco Wash Mesa-Verde Oil
Pool - McKinley County, N.M.

Dear Gilbert:

We have been informed by your Aztec office that we need approval for a NSL on our State Well No. 27. This well is located 940 FNL and 1965 FEL in Unit B of Section 28, T-20-N, R-9-W, N.M.P.M., McKinley County, New Mexico.

As you can see, this is not a non-standard location in the true sense, however, R Order 2112 states that wells producing from a common source of supply shall be located no nearer than 330' to the nearest well. In this case, State Well No. 27 is approximately ten feet too close to State Well No. 26 (located 620 FNL and 1965 FWL). We have yet to reason if both of these wells need approval for NSL's or if one will suffice. Accordingly, R Order 6538 has provisions applicable for administrative approval for non-standard locations for either production or injection wells. Geo Engineering, Inc., has all surrounding leases and these wells will not affect offsetting operators.

Inasmuch as we can not transport oil from these wells until an NSL is approved, we would appreciate it if this matter is handled expeditiously. If you have any questions concerning this matter, please contact me at my office.

Sincerely,

Jim Law

JWL/r1
cc: Aztec Office
Attn: Frank Chavez

RECEIVED

OCT 1 - 1984

OIL CONSERVATION DIVISION