

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

POST OFFICE BOX 2088

STATE LAND OFFICE BUILDING SANTA FE: NEW MEXICO 87501 (505) 827-5800

November 19, 1985

Chace Oil Company, Inc. 313 Washington S.E. Albuquerque, New Mexico 87108

Attention: Steven P. Roche

Administrative Order NSL-2189

Dear Mr. Roche,

Reference is made to your application for a non-standard oil well location for your Pinon Unit Well No. 2 located 2583 feet from the projected South line (786 feet South of the North Boundary of the Ortiz Mine Grant or 2697 feet from the surveyed North line of the section) and 1528 feet from the projected East line of Section 26, Township 14 North, Range 8 East, NMPM, Wildcat Dakota Formation, Santa Fe County, New Mexico. The NW/4 SE/4 (Unit J) of said Section 26, as projected from the unsurveyed southeastern corner of the section, forming a standard 40-acre oil spacing and proration unit, is to be dedicated to the well.

By authority granted me under the provisions of Rule 104 F(I), the above-described unorthodox location is hereby approved.

Sincerely

L. STAMETS, DIRECTOR

RLS/MS/et

Oil Conservation Division - Santa Fe cc: Oil & Gas Engineering Committee - Hobbs