

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

May 18, 1989

S & J Operating Company
P.O. Box 2249
Wichita Falls, TX 76307

Attention: Sandy Robertson

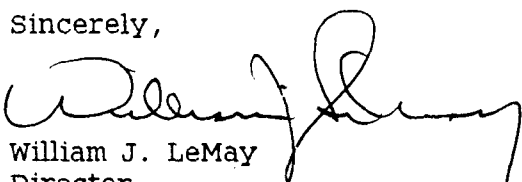
Administrative Order NSL-2654

Dear Ms. Robertson:

Reference is made to your application of March 29, 1989 for a non-standard oil well location to permit the completion of an efficient production/injection pattern within a secondary recovery unit for your South Red Lake Grayburg Unit No. 48 to be located 240 feet from the South line and 1010 feet from the West line (Unit M) of Section 36, Township 17 South, Range 27 East, NMPM, Red Lake Queen Grayburg San Andres Pool, South Red Lake Grayburg Unit Waterflood Project (Division Order No. R-2882), Eddy County, New Mexico. Said well to be dedicated to the existing 40-acre oil spacing and proration unit comprising the SW/4 SW/4 of said Section 36.

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

Sincerely,


William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Artesia
NM Oil and Gas Engineering Committee - Hobbs
NM State Land Office - Santa Fe