STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT



BRUCE KING

OIL CONSERVATION DIVISION



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

May 15, 1992

Elk Oil Company Box 310 Roswell, New Mexico 88202

Attention: Joseph J. Kelly

Administrative Order NSL-3114

Dear Mr. Kelly:

Reference is made to your application dated May 15, 1992 for a non-standard gas well location for your Celtic State Well No. 1 to be located 1650 feet from the North line and 990 feet from the West line (Unit E) of Section 13, Township 8 South, Range 27 East, NMPM, to test all carbonates below the Woodford Shale (Devonian), Chaves County, New Mexico. The N/2 of said Section 13 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By authority granted me under the provisions of General Rule 104F.(1), the above described unorthodox gas well location is hereby approved.

Sincerely,

WILLIAM J. LEMA

Director

WJL/MES/jc

cc: Oil Conservation Division - Artesia

NMSLO - Santa Fe