OIL CONSERVATION COMMISSION

1000 RID BRAZOS ROAD AZTEC, NEW MEXICO

November 15, 1965

Chama Drilling Company 2404 East 23rd Street Farmington, New Mexico

Attn: Mr. Paul Harr

Dear Mr. Harr:

We have received Application for Permit to Drill for your #1 Quinlan well located 1250 feet from the South line and 700 feet from the West line of Section 3-15-2E, Martin & Borders Survey, Tierra Amarillo Grant.

As this well is a wildcat well, in order to be a standard location it would have to conform with the statewide 40-acre spacing Rule, which states that a well must be located a minimum of 330 feet from the quarter-quarter section line. Your well is therefore not a standard location and in the event production is secured it will be necessary that you go to hearing before the Oil Conservation Commission to have the non-standard location approved prior to production of any oil. We are approving your Notice subject to the above conditions.

Yours very truly

Emery C. Arnold Supervisor, Dist. #3

ECA: ks