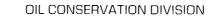
STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT





February 23, 1987

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-5800

Zia Energy, Inc. P. O. Box 2219 Hobbs, New Mexico 88240

Attention: Farris Nelson

Administrative Order NSL-2323

Gentlemen:

Reference is made to your application for a non-standard location for your L. D. Jones No. 1 well to be located 2310 feet from the North line and 330 feet from the East line of Section 1, Township 20 South, Range 38 East, NMPM, Undesignated House Yates Seven Rivers Gas Pool, Lea County, New Mexico. The NE/4 of said Section 1 shall 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,

WILLIAM J. LEMAY, DIRECTOR

WJL/DC/dr

cc: Oil Conservation Division - Hobbs