

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

APPLICATION

Comes now Gunsite Butte Uranium Corporation, a Utah corporation duly admitted and qualified to do business in the State of New Mexico, and applies for approval of a non-standard location for a well to be drilled in the NW/4 of Section 3, Township 25 North, Range 3 West, N.M.P.M., Rio Arriba County, New Mexico, as an exception to the provisions of Order No. R-794 issued in Case No. 977, and in support thereof would show:

1. That under the provisions of Order No. R-794, applicant was granted an exception for a previously drilled unit, the Florence No. 1, located in the NE/4 <sup>NW</sup>NE/4 of Section 4, Township 25 North, Range 3 West.
2. That the location of the well to be drilled, in the event this application is approved, will be at least 990 feet from the outer boundary of the NW/4 of said Section 3, and the N/2 of said section will be dedicated to such well to form a standard drilling unit of 320 acres.
3. That all of the acreage involved in the proposed drilling unit may reasonably be presumed to be productive of gas from the Tapacito-Pictured Cliffs Gas Pool and is <sup>within two miles of</sup> included in the horizontal limits of said pool.
4. That unless an exception is granted, applicant will be deprived of the opportunity of recovering his just and equitable share of the gas underlying said tract; and that waste will result and correlative rights will not be protected.

Wherefore, applicant respectfully requests that this matter be set for hearing before an examiner in Santa Fe, New Mexico, and that after due notice and hearing, as required by law, the

Commission enter its order approving the non-standard drilling unit as requested.

Respectfully submitted,

GUNSITE BUTTE URANIUM CORPORATION

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