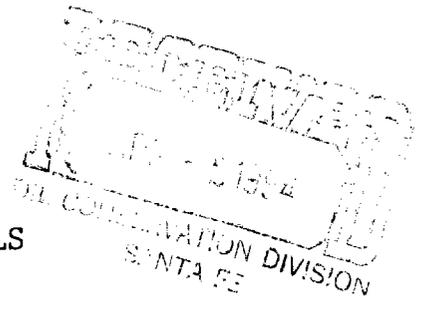


STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION



IN THE MATTER OF THE APPLICATION  
OF WALLACE OIL & GAS INC., FOR  
APPROVAL OF THREE UNORTHODOX  
WELL LOCATIONS, ROOSEVELT COUNTY,  
NEW MEXICO.

APR 2 1984 CASE 8160

A P P L I C A T I O N

COMES NOW, Wallace Oil & Gas Inc., by and through its attorneys, KELLAHIN and KELLAHIN, and applies to the New Mexico Oil Conservation Division for approval of three unorthodox gas well locations in the North Chaveroo-Canyon Gas Pool, Roosevelt County, New Mexico, and in support thereof would show:

1. Applicant proposes to drill the following wells, each of which is at an unorthodox well location:

- a) Wallace Oil & Gas Inc., #1-4M Tucker  
660' FSL and 660' FWL  
Section 4, T7S, R33E  
S/2 Dedication
- b) Wallace Oil & Gas Inc., #2-5P Tucker  
660' FSL and 660' FEL  
Section 5, T7S, R33E  
S/2 Dedication
- c) Wallace Oil & Gas Inc., #1-8A Tucker  
660' FNL and 660' FEL  
Section 8, T7S, R33E  
N/2 Dedication

2. The proposed three unorthodox well locations are necessary in order to protect the applicant's acreage from drainage from the Union Oil Company of California well located at an unorthodox well location 660' FNL and 660' FWL of Section 9, T7S, R33E, NMPM.

3. That approval of the application is in the best interests of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that the Application be approved as requested.

KELLAHIN and KELLAHIN  
P. O. Box 2265  
Santa Fe, New Mexico 87504-2265  
(505) 982-4285

Original signed by  
W. THOMAS KELLAHIN  
By \_\_\_\_\_  
W. Thomas Kellahin