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STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

July 15, 1993

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

Energy Development Corporation  
1000 Louisiana, Suite 2900  
Houston, Texas 77002

Attention: Mark Blumenshine

**RECEIVED**  
JUL 19 1993  
**OIL CON. DIV.**  
**DIST. 3**

*Administrative Order DD-85*

Dear Mr Blumenshine:

Reference is made to your application dated July 9, 1993 for a non-standard oil well location, for approval to intentionally deviate a well (drill a horizontal well) and to form a 480-acre proration unit consisting of contiguous quarter sections from more than one government section. The subject well being your San Isidro 5 Well No. 2, is to be located 475 feet from the North line and 1750 feet from the East line (Unit B) of Section 5, Township 20 North, Range 2 West, NMPM, Rio Puerco-Mancos Pool, Sandoval County, New Mexico. The NE/4 of said Section 5 and the E/2 of Section 32, Township 21 North, Range 2 West, NMPM, shall be dedicated to the well forming a non-standard 458.75-acre spacing and proration unit.

**THE DIVISION DIRECTOR FINDS THAT:**

- (1) The well is located in the San Isidro (Shallow) Unit which is governed by special rules and regulations as stated in Orders No. R-9330 and R-9330-A.
- (2) The well is located on the edge of the subject unit and requires that the offset operators be notified of requests for administrative approvals. Energy Development Corporation submitted a waiver from Gary-Williams Company, the operator of the offsetting acreage.
- (3) The geologic reason for the non-standard proration unit, contiguous quarter sections from more than one governmental section, is requested so that the proposed wellbore will follow the seismic line, which is the control for defining the area of maximum concentration of fractures.

(4) The surface location of the well is non-standard and the horizontal portion of the well will be nearer than 660 feet from the outer boundary at one point.

**IT IS THEREFORE ORDERED THAT:**

(1) The non-standard surface location for Energy Development Corporation's San Isidro 5 Well No. 4 will be located 475 feet from the North line and 1750 feet from the East line (Unit B) of Section 5, Township 20 North, Range 2 West, NMPM, Rio Puerco-Mancos Pool, Sandoval County, is approved.

(2) The drilling of the subject well horizontally into the E/2 of Section 32, Township 21 North, Range 2 West, NMPM, is approved.

(3) The non-standard proration unit consisting of 458.75 acres and crossing from Section 5 into Section 32 is approved. Due to the survey adjustment between Township 20 North and Township 21 North, the wellbore will come closer to the proration unit boundary than the allowed 660 feet. Because this is a unitized area, this should not affect correlative rights and is approved.

**PROVIDED HOWEVER THAT** prior to commencing directional drilling operations into said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

**PROVIDED HOWEVER THAT** during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(4) The applicant shall notify the supervisor of the Aztec district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Aztec offices of the Division upon completion.

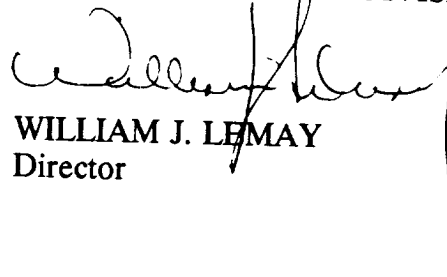
(5) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(6) A corrected copy of Form C-102 showing the actual surface and bottomhole locations shall be filed with the Santa Fe and Aztec offices at the time the C-104 is submitted.

(7) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

S E A L

WJL/MES/amg

cc: Oil Conservation Division - Aztec  
Bureau of Land Management - Albuquerque