



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

GARREY CARRUTHERS
GOVERNOR

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

July 26, 1990

Union Oil Company of California
3300 North Butler Avenue
Suite 200
Farmington, NM 87401

Attention: Bill Hering, District Petroleum Engineer

RECEIVED
JUL 30 1990
OIL CON. DIV.
DIST. 3

Administrative Order DD-38

Dear Mr. Hering:

Under the provisions of General Rule 111 (c), (d) and (e), Unocal made application to the New Mexico Oil Conservation Division on July 5, 1990, for authorization to directionally drill its proposed Day "B" Well No. 8, San Juan County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

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IT IS THEREFORE ORDERED THAT:

(1) The applicant, Union Oil Company of California d/b/a Unocal is hereby authorized to directionally drill its Day "B" Well No. 8, the surface location of which shall be 734 feet from the North line and 1233 feet from the East line (Unit A) of Section 7, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico, by kicking off from the vertical at a depth of approximately 325 feet, and drilling in such a manner as to bottom in the Basin Fruitland Coal Gas Pool at a standard coal gas well location within the NE/4 of said Section 7.

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 FURTHER 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.

(2) 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.

(3) 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.

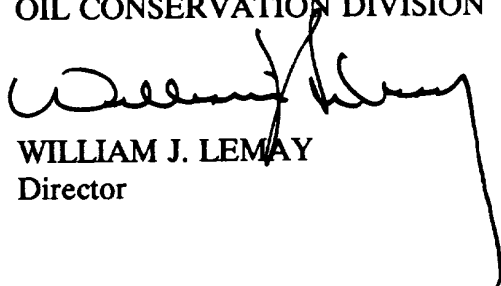
(4) The E/2 of said Section 7 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

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

Administrative Order DD-38
Union Oil Company of California
July 26, 1990
Page No. 3

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

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A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the printed name and title. The signature is fluid and cursive, with a long vertical line extending downwards from the end of the name.

WILLIAM J. LEMAY
Director

S E A L

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington