

(4) The applicant shall submit copies of said directional surveys to the Santa Fe and Aztec offices of the Division.

(5) The applicant shall notify the supervisor of the Aztec District Office of the Division of the date and time of commencement of directional drilling operations and of the conductance of any directional surveys on the proposed well in order that these operations may be witnessed.

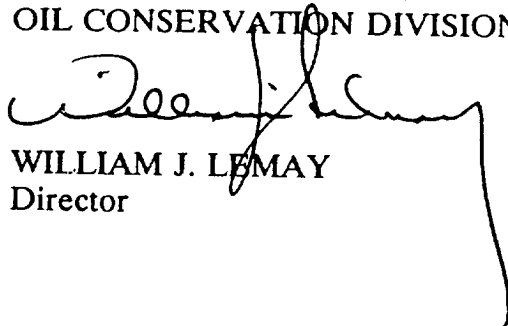
**IT IS FURTHER ORDERED THAT:**

(6) Subsequent to the drilling and successful completion of the horizontal well as a commercial producing gas well in the Basin-Fruitland Coal Gas Pool, the operator of the subject spacing unit will cease production from the Hughes "B" Well No. 18 located 1370 feet from the North line and 1500 feet from the East line (Unit G) of said Section 21 and utilize said Well No. 18 as an observation well only.

(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