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30-045-29123



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



BRUCE KING  
GOVERNOR

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SANTA FE, NEW MEXICO 87504  
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May 9, 1994

RECEIVED  
MAY 12 1994  
OIL CON. DIV.  
DIST. 3

Sirgo Brothers Energy Corporation  
P.O. Box 3531  
Midland, TX 79702

Attention: M.A. Sirgo, III

*Administrative Order DD-93*

Dear Mr. Sirgo:

Under the provisions of General Rule 111 (c), (d) and (e), Sirgo Brothers Energy Corporation made application to the New Mexico Oil Conservation Division on April 29, 1994, for authorization to directionally drill its proposed Northwest Cha Cha Unit Well No. 48, 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) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met; and
- (3) The dedicated acreage for said well is within the applicant's Northwest Cha Cha Unit Area; and
- (4) No notification was required in this instance.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Sirgo Brothers Energy Corporation, is hereby authorized to directionally drill its Northwest Cha Cha Unit Well No. 48, the surface location of which shall be 2067 feet from the North line and 1394 feet from the West line (Unit F) of Section 27, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico, by kicking off from the vertical and drilling in such a manner as to bottom in the Cha Cha Gallup Pool at a standard oil well location within the SW/4 NW/4 (Unit E) of said Section 27.

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.

(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.

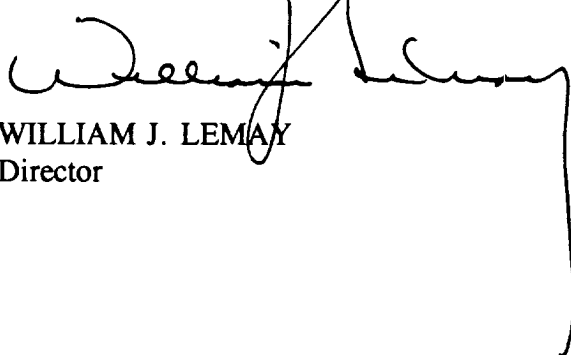
(3) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(4) The S/2 NW/4 of said Section 27 shall be dedicated to said well to form a standard 80-acre oil 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.

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  
US Bureau of Land Management - Farmington