

(a) Adjoining spacing units shall be defined as those existing proration and spacing units towards which the unorthodox well location encroaches that would be intersected by a radius drawn around the unorthodox location equal to the minimum setback distance for a standard well location in the direction of encroachment as required by the subject pool rules or in the absence thereof by Rule 104. In cases where encroachment is in more than one direction, the larger of the minimum setback distances shall be used as the radius;

(b) A diagonal spacing unit shall be defined as a proration and spacing unit or in the absence thereof that lease or unleased mineral interest towards which the unorthodox well location encroaches even if the radius described in (4)(a) above does not intersect the diagonal spacing unit.

(5) The applicant shall submit a statement attesting that applicant, on or before the same date the application was submitted to the Division has sent notification by submitting a copy of the application by certified or registered mail-return receipt and advising them that if they have an objection it must be filed in writing within twenty days of the date notice was sent to the following parties: (a) all operators of adjoining or diagonal proration or spacing units towards which the unorthodox well location is encroaching as defined by Section F(4) (a) & (b), above, and (b) in the absence of an operator, then each lessee or in the absence of a lessee the unleased mineral owner of leases and mineral interests as defined by Section F(4)(c) above. The Division Director may approve the unorthodox location upon receipt of waivers from all said parties or if no said party has entered an objection to the unorthodox location within 20 days after the Director has received the application.

(6) The Division Director may, at his discretion, set any application for administrative approval of an unorthodox location for public hearing, and may require that a directional survey be run in the unorthodox well to establish the location of the producing interval(s).

REPLACEMENT PAGE