

- (6) The subject J. R. Phillips Well No. 9, located at a standard surface oil well location 990 feet from the North line and 1931 feet from the West line (Lot 3/Unit C) of said Section 6, was drilled in 1952 to a total depth of 5,730 feet with completions in the Monument-Blinebry, Monument-Paddock, and Eumont Pools and was plugged and abandoned in 1992;
- (7) The applicant/operator proposes to re-enter said well, clean out the existing wellbore in such a manner as to allow them to kick-off from vertical at a depth of approximately 5,600 feet by milling a window in the production casing, drill in a south-southwesterly direction with a short radius curve, and drill horizontally within the Monument-Blinebry Pool a lateral distance of approximately 1,350 feet;
- (8) The applicable drilling window or "producing area" for said wellbore should include that area within the subject 80.16-acre non-standard oil spacing and proration unit comprising Lot 3 and the SE/4 NW/4 of said Section 6 that is no closer than 330 feet to the outer boundary of said proration unit; and,
- (9) It appears the applicant has satisfied all of the appropriate requirements prescribed in said Rule 111.D and E, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of Division General Rule 111.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Texaco Exploration and Production Company ("Texaco"), is hereby authorized to re-enter and recomplete its J. R. Phillips Well No. 9 (API No. 30-025-05962), from a standard surface location 990 feet from the North line and 1931 feet from the West line (Lot 3/Unit C) of Section 6, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, by milling a window in the production casing at a depth of approximately 5,600 feet, kick-off from vertical in a south-southwesterly direction with a short radius curve, and continue drilling horizontally within the Monument-Blinebry Pool a lateral distance of approximately 1,350 feet.

PROVIDED HOWEVER THAT prior to commencing directional drilling operations in 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 said 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 Hobbs 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 Hobbs offices of the Division upon completion.