



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

GARREY CARRUTHERS
GOVERNOR

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STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

August 16, 1990

Parker and Parsley Petroleum Company
c/o A.R. Kendrick
Box 516
Aztec, NM 87410-0516

Administrative Order DD-39(NSBHL)

Dear Mr. Kendrick:

Under the provisions of General Rule 111 (c), (d) and (e), A. R. Kendrick on behalf of Parker and Parsley Petroleum Company made application to the New Mexico Oil Conservation Division on July 23, 1990, for authorization to directionally drill its proposed Rosa Unit Well No. 296, Rio Arriba 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 and Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as promulgated by Division Order No. R-8768;
- (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 and said Order No. R-8768 have either been or will be met; and
- (4) No objections have been received within the waiting period prescribed by said rules.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Parker and Parsley Petroleum Company, is hereby authorized to directionally drill its Rosa Unit Well No. 296, the surface location of which shall be 1190 feet from the North line and 670 feet from the West line (Unit D) of Section 12, Township 31 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, by kicking off from the vertical and drilling in such a manner as to bottom in the Basin-Fruitland Coal Gas Pool within 50 feet of a point 1190 feet from the North line and 900 feet from the West line (Unit D) of said Section 12, being an unorthodox subsurface coal gas well location for said pool.

PROVIDED HOWEVER THAT: prior to directional drilling, the operator shall determine the subsurface location of the kick-off point; and

PROVIDED FURTHER THAT subsequent to the above-described directional drilling, should said well be a producer, a directional survey shall be made of the wellbore from a total depth to the kick-off point; the operator shall cause the surveying company to forward a copy of the survey report directly to both the Santa Fe office and the Aztec District office of the Division.

(2) The operator shall also notify the Division's Aztec District office of the date and time said survey is to be commenced.

(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.

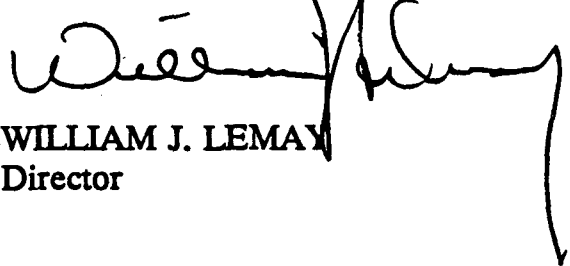
(4) The W/2 of said Section 12 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

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

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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 horizontal stroke at the end.

WILLIAM J. LEMAY
Director

SEAL

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