

IT IS THEREFORE ORDERED THAT: DD-61
6-20-91

(1) The applicant, Mewbourne Oil Company, is hereby authorized to directionally drill its Kaiser Lake Federal Well No. 1, the surface location of which shall be 1650 feet from the South and East lines (Unit J) of Section 32, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico, by kicking off from the vertical and drilling in such a manner as to bottom in the East Lake Morrow Gas Pool within a target area described as a rectangle 1980 to 2310 feet from the West line and 660 to 1980 feet from the South line of said Section 32.

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 Artesia 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 Artesia 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 of said Section 32 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for the subject pool.

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