

Case No. 9831
Order No. R-9103
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(4) Only a small portion of the target zone at the bottom of the deviated wellbore is unorthodox, inasmuch as it is crowding the internal quarter section line.

(5) The Potash Area, governed under Division Order No. R-111-P, encompasses the proposed proration unit; however, the proposed surface location lies outside of this area and the proposed bottomhole location is within the designated Life-of-Mine Reserve (L.M.R.), as described by the United States Bureau of Land Management.

(6) The applicant is requesting directional drilling for the purposes of meeting the requirements of part G(e)(b) of said Order No. R-111-P which states that "a deep well shall be drilled no closer than one-half (1/2) mile from the L.M.R.)".

(7) No offset operator or interested party objected to the proposed directional drilling and unorthodox location.

(8) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the affected pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

(9) Approval of such application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Pennsylvanian formation, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(10) The applicant should be required to determine the subsurface location of the kick-off point in the wellbore prior to directional drilling and should subsequently be required to conduct an accurate wellbore survey during or upon completion of drilling operations from a kick-off point to total depth to determine its true depth and course.

(11) The applicant should be required to notify the supervisor of the Artesia district office of the Division of the date and time said directional surveys are to be conducted so that they may be witnessed. The applicant should further be required to provide a copy of said directional surveys to the Santa Fe and Artesia offices of the Division upon completion.