IT IS THEREFORE ORDERED THAT: R-8928 APPR. 5-10-89

(1) The applicant, Steve Sell, is hereby authorized to directionally drill its Shafer Federal Com Well No. 1 from a surface location 1327 feet from the South line and 1145 feet from the West line (Unit L) of Section 35, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico, in a northwesterly direction to a depth sufficient to test the Undesignated Indian Basin-Upper Pennsylvanian Gas Pool and Wildcat Morrow Gas Pool at an unorthodox bottomhole location which shall not be closer than 1600 feet from the South line and 800 feet from the West line (Unit L) of said Section 35.

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(2) All of said Section 35 shall be dedicated to the subject well forming a standard 640-acre gas spacing and proration unit for the Indian Basin-Upper Pennsylvanian Gas Pool.

(3) Should commercial production be established in the Morrow formation, the applicant shall be required to obtain

any additional Division approvals necessary to produce said Morrow zone.

(4) The applicant shall be required to conduct a multishot directional survey from the surface to the proposed sidetrack depth of 4900 feet prior to initiating directional drilling operations, and shall further be required to conduct a multishot directional survey from the sidetrack depth to total depth upon completion of directional drilling operations.

(5) The applicant shall notify the supervisor of the Artesia district office of the Division of the date and time of conducting said directional surveys in order that they may be witnessed.

(6) Upon completion of conducting said directional surveys, the applicant shall submit copies of each survey to the Santa Fe office of the Division.

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

1.9.90 1-9.90 COMP NEUTRON EPT, Lithology CYBERlook 500-7700 FIL-CLROMAGNEHIC 5500-700 DUAL ENDUCTION 5500-7700 PD R-8928 Appu. 5-10-89

> R-8918-A Appu. 8-31-89 NSL - NSP Amend PD

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