

Administrative Order DD-166(H)  
Santa Fe Energy Resources, Inc.  
April 2, 1997  
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**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 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) The "project area" for said horizontal well shall consist of an oversized 80-acre non-standard oil spacing and proration unit for said pool comprising the SW/4 NE/4 and NW/4 SE/4 of said Section 20.

(4) The applicable drilling window or "producing area" for said wellbore shall include that area within this 80-acre non-standard oil spacing and proration unit that is no closer than 330 feet to the outer boundary of said unit.

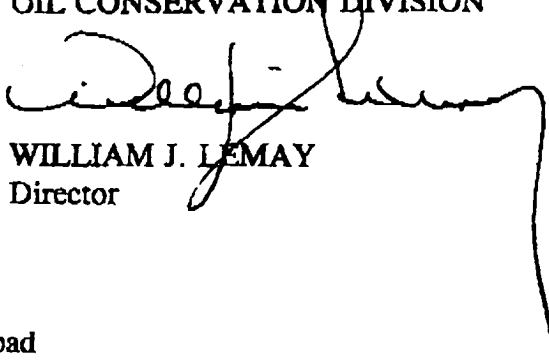
(5) The operator shall comply with all requirements and conditions set forth in Division General Rule 111.E(2) and any applicable requirements in 111.D and F.

(6) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth (TVD) in addition to measured depths (MVD).

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

S E A L

cc: Oil Conservation Division - Artesia  
U. S. Bureau of Land Management - Carlsbad