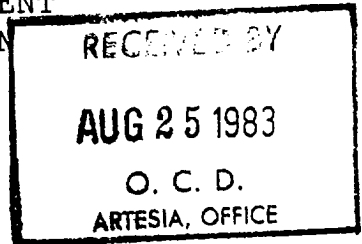


STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7940
Order No. R-7339

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR DIRECTIONAL DRILLING
AND AN UNORTHODOX LOCATION, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 17, 1983 at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 23rd day of August, 1983, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Amoco Production Company, is the owner and operator of the State "IB" Com Well No. 1, the surface location of which is 660 feet from the South line and 1980 feet from the West line of Section 31, Township 23 South, Range 25 East, Eddy County, New Mexico.

(3) That the applicant seeks to directionally drill said well by kicking off from the vertical at the approximate casing cutoff point (between 5,000 and 8,000 feet) and drilling directionally to a bottom hole location within 100 feet of a point located 872 feet from the South line and 2,192 feet from the West line of said Section 31.