

- (a) whether all locations for the proposed well within the standard window set by Division Rule 104 have been eliminated;
- (b) whether there is geological justification for the proposed location which necessitates granting the exception to Division Rule 104, or, if the proposed location is necessitated by surface features, whether the proposed location is in a geologically inferior position to a location within the standard window;
- (c) if the proposed location is necessitated by surface features, whether the operator has justified why it cannot directionally drill from the proposed unorthodox surface location to a bottomhole location within the standard window established by Division rules; and
- (d) whether the operator seeking the well location exception contemplates developing shallower zones, and whether the proposed well location is within the standard window for those shallower zones. As the Division's October 25, 1999 notice observed, "...the well location requirement for oil wells on 40-acre spacing **has not** changed and remains 330 feet from the quarter-quarter section. Operators need to be wary if a well's main objective is a deeper gas producing interval but there is the possibility of oil production and the location is closer to an interior quarter-quarter section line than 330 feet. In order to complete the well in a shallower oil producing horizon, the operator will be required to obtain an exception for the unorthodox oil well location. Location exceptions in this situation will not be granted unless unusual circumstances justify the location, and the closer a well is to the neighboring property, the harder it will be to obtain an exception. For example, if the well is only 10 feet of a neighboring property, it is highly unlikely that an exception will be granted."