

(3) The subject well shall be assigned an oil allowable equal to 142 BOPD times the number of standard 40-acre tracts contacted by the wellbore as determined from directional surveys.

(4) The Division Director shall have the authority to administratively grant a higher allowable to the subject well and project area upon a satisfactory presentation of data regarding the drainage characteristics of the well.

(5) The applicant shall determine the actual location of the kick-off point prior to commencing directional drilling operations. Also, the applicant shall conduct a directional survey on the lateral portion of the wellbore during or after completion of drilling operations.

(6) The applicant shall notify the supervisor of the Aztec district office of the Division of the date and time of conductance of any directional surveys in order that the same may be witnessed.

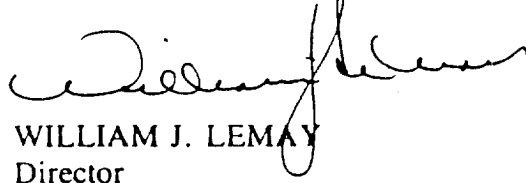
(7) The applicant shall submit copies of all directional surveys conducted on the subject well to both the Santa Fe and Aztec offices of the Division.

(8) The portion of this case requesting a special gas-oil ratio limitation within the pilot project area is hereby dismissed.

(9) Jurisdiction is hereby 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