

CASE 5671: ARD DRILLING CO. FOR
DIRECTIONAL DRILLING, LEA COUNTY,
NEW MEXICO

CASE NO.

5671

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501



DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO
June 2, 1976

STATE GEOLOGIST
EMERY C. ARNOLD

Mr. Sumner Buell
Montgomery, Federici, Andrews,
Hannahs, & Buell
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico

Re: CASE NO. 5671
ORDER NO. R-5220

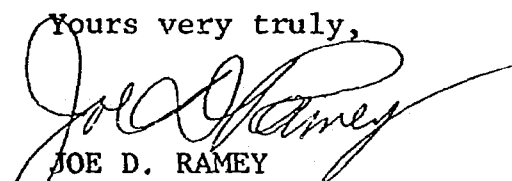
Applicant:

Ard Drilling Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC x
Artesia OCC _____
Aztec OCC _____

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5671
Order No. R-5220

APPLICATION OF ARD DRILLING CO.
FOR DIRECTIONAL DRILLING, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 28, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 1st day of June, 1976, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Ard Drilling Co., is the owner and operator of its State 10 Well No. 1, the surface location of which is 660 feet from the South line and 660 feet from the East line of Section 10, Township 10 South, Range 32 East, North Mescalero-Cisco Pool, Lea County, New Mexico.

(3) That at its original bottom hole location, said well encountered only tight non-commercial porosity zones within the Cisco formation.

(4) That applicant subsequently deviated the above-described well by directionally drilling said well from a kick-off point at approximately 7800 feet and bottoming it in the Cisco formation at a point 892 feet from the South line and 494 feet from the East line, more or less, of said Section 10.

(5) That the applicant seeks to amend its original application to directionally drill said well to a target within 100 feet of a point 810 feet from the South line and 660 feet from the East line of said Section 10 to the bottom hole location described in Finding No. (4) above.

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Case No. 5671
Order No. R-5220

(6) That the bottom hole location described in Finding No. (4) above would be a legal surface well location in said North Mescalero-Cisco Pool and the request for amendment of the application should be granted.

(7) That at the above-described bottom hole location applicant's State 10 Well No. 1 encountered productive porosity zones within the Cisco formation.

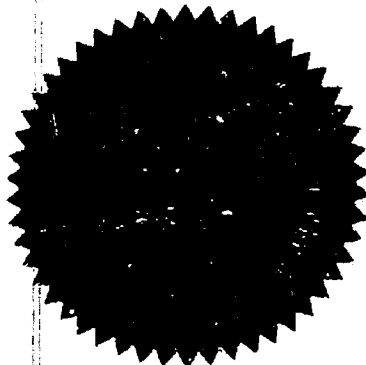
(8) That approval of the subject application, as amended, will prevent the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Ard Drilling Co., is hereby authorized to deviate its State 10 Well No. 1, the surface location of which is 660 feet from the South line and 660 feet from the East line of Section 10, Township 10 South, Range 32 East, North Mescalero-Cisco Pool, by directionally drilling said well from a kick-off point at approximately 7800 feet and bottoming it in the Cisco formation at a point 892 feet from the South line and 494 feet from the East line, more or less, of said Section 10.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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



S E A L

dr/

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Phil R. Lucero
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date

APRIL 28, 1976

TIME: 9:00 A.M.

NAME	REPRESENTING	LOCATION
S.G. Buell	Montgomery et al	Santa Fe
HARLEY REAVIS	EXXON	MIDLAND
W.T. Probert	Ard Drilling Co.	Midland
GLEN HARBERT	DIG, Inc	Midland
H.R. Huey	SUN CO.	Dallas,
H.A. Seidel Jr.	SUN OIL CO.	DALLAS, TX
Jim Henry	Henry Engineering (For David Fosken)	Midland, Tx
W.G. Abbott	AGUA, Inc.	Hobbs
Tom Kellahin	Kellahin & Fox	Santa Fe
James Jennings	Jennings & Childs, Inc.	Rockwell
G. Edwards	Modell & Spier	Alf
Gregg Merwin	Merwin & Bayless	Farmington

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 28, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Ard Drilling Co. for
directional drilling, Lea County,
New Mexico.

CASE
5671

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant:

Sumner G. Buell, Esq.
MONTGOMERY, FEDERICI, ANDREWS,
HANNAHS & BUELL
Attorneys at Law
350 East Palace Avenue
Santa Fe, New Mexico

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1 MR. STAMETS: We will call the next Case 5671.

2 MR. CARR: Case 5671, application of Ard Drilling
3 Company for directional drilling, Lea County, New Mexico.

4 MR. BUELL: Mr. Examiner, Sumner Buell appearing on
5 behalf of the applicant, we will have two witnesses.

6 MR. STAMETS: The witnesses will stand and be
7 sworn, please.

8 (THEREUPON, the witnesses were duly sworn.)

9
10 WILLIAM T. PROBANDT

11 called as a witness, having been first duly sworn, was
12 examined and testified as follows:

13
14 DIRECT EXAMINATION

15 BY MR. BUELL:

16 Q Would you state your name, please, by whom you are
17 employed, in what capacity and where?

18 A My name is William T. Probandt, I'm employed by
19 Ard Drilling Company as a consulting geologist in Midland,
20 Texas.

21 Q Have you previously testified before the Commission
22 or one of its examiners and had your qualifications accepted
23 as a matter of record?

24 A I have.

25 Q And are you familiar with what is sought in this

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1 Case 5671?

2 A. Yes, I am.

3 Q. What is sought by Ard Drilling Company?

4 A. For approval of the Commission for a directionally
5 deviated hole in the Mescalero-Cisco Pool.

6 MR. BUELL: Are the witness' qualifications
7 acceptable?

8 MR. STAMETS: They are.

9 Q (Mr. Buell continuing.) Referring you to what has
10 been marked as Applicant's Exhibit Number One, of which we
11 only have one copy, would you, number one, explain to the
12 Examiner why we only have one copy, and number two, what is
13 shown on the exhibit?

14 A. Yes, one of the reasons that there is but one copy
15 here, I spent the night in Roswell coming up and this has
16 something to do with why I have no tie on. My car was gone
17 through and cleaned out of various things, cameras, geological
18 equipment, I don't know what all is gone, but obviously I'm
19 short-handed on several counts here and I'm going to blame
20 part of it on this. What I have here, part of this was
21 taken into the room with me and I believe it will be sufficient
22 if you will bear with me.

23 Q If you would like to refer to it over the Examiner's
24 shoulder feel free to do so, but will you please demonstrate
25 what is shown on Exhibit Number One?

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1 A. Yes, this is a plat on a one-to-one scale of the
2 Mescalero-Cisco area in Township 10 South, Range 32 East,
3 Lea County. The color keying and the red cross section lines
4 are indicated, I believe. Now, the blue shading is my
5 impression of the Cisco pay where it will be productive in
6 this area. Pardon me, the gray shading to the south is where
7 I believe the pay would be absent. The red line of cross
8 section represents a cross section that I have with me but that
9 is not essentially germane to this problem, however, it is
10 available if the Examiner would like to see it.

11 The large colored dots, blue means completion in
12 the main Cisco pay; green means completions in secondary
13 zones not necessarily in the main Cisco pay; the yellow,
14 east-west trending eighty-acre tract shows the Ard Drilling
15 Company lease.

16 On this yellow eighty-acre tract you will see three
17 additional colored dots, small dots, and some arrows accompany-
18 ing these dots. Under your left hand there, I believe, there
19 is a small legend with the colored pen printing there showing
20 some further explanations, a legend there. The red arrow
21 and the red dot shows the original surface location six,
22 sixty from the south and east of Section 10. I believe there
23 is a purple dot there with a purple arrow showing the location
24 of the original hole.

25 The blue dot, I believe is the third dot and the

1 blue arrow. This shows the deviated hole and the approximate
2 bottom-hole location from this deviated hole.

3 Q Referring you to what has been marked Exhibits Two
4 and Three would you explain what those are, please?

5 A All right, Exhibits Two and Three.

6 Q The two logs.

7 A All right, the two logs. Essentially those are the
8 before and after loggings of the original hole and the
9 deviated hole. If I may, I would like to come up there and
10 perhaps clarify some of that.

11 Exhibit Two is the log of the original hole. In
12 this I have indicated in blue the main Cisco pay to
13 correspond generally with this blue color to show that the
14 gross carbonate section, that is the lithology is there, it
15 corresponds, it is present. However, the left-hand side,
16 which has a very small hard to distinguish little bit of
17 orange here. Orange to me in this particular project indicates
18 porosity. Okay, there is not much of that even though we
19 have the gross section. However, in the second hole, the
20 deviated hole, you can see that there is a dramatic difference
21 in there. We have the main zone, essentially the same
22 thickness, the same lithologic characteristic, however, we
23 picked up some thirty-seven feet extra porosity there. This
24 to us means that there is a primary difference in that this
25 definitely will make a well here in the main porosity. This

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1 probably would not have. We think that this represents eighty
2 percent of our producible hydrocarbons in this hole.

3 Q Referring you to what has been marked for identifica-
4 tion as Exhibits Four, Five and Six, would you please explain
5 what those are?

6 A yes, this Four, Five and Six are waivers from
7 offset operators, mainly to the north would be Teal, to the
8 east would be Pennzoil, to the south would be Texas Oil and
9 Gas in which they concur with our request to directionally
10 drill and so waive their objections to this.

11 Q Mr. Probandt, in your opinion would the granting of
12 this application prevent waste and protect correlative rights?

13 A It would. We feel that the hydrocarbons that we
14 will be able to produce, we think, in the deviated hole were
15 definitely not present and not producible in the original
16 hole. We further feel that the correlative rights will be
17 protected because the oil in this zone would not be producible
18 from these other leases and from this other spaced hole.

19 Q Were Exhibits One through Three prepared by you
20 or under your supervision?

21 A Yes, they were.

22 MR. BUELL: Mr. Examiner, I would move Exhibits One
23 through Six inclusive at this time.

24 MR. STAMETS: These exhibits will be admitted.

25 (THEREUPON, Applicant's Exhibits One

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1 through Six were admitted into evidence.)

2 MR. BUELL: I have nothing further of this witness.

3 MR. STAMETS: Mr. Buell, does either one of your
 4 witnesses know what the spacing is in this pool, what the
 5 standard locations are?

6 MR. PROBANDT: Eighty acres.

7 MR. STAMETS: Eighty acres. And do you know what
 8 the order number is that assigns that? I went through our
 9 records yesterday trying to determine this and I couldn't
 10 find a special pool rule order.

11 MR. PROBANDT: I was present and a witness at this
 12 hearing that established this spacing. It has been a matter
 13 of three or four years, I think. I have no idea what the
 14 number would be. At that time it was a Roger C. Hanks'
 15 application for spacing. Mr. Hanks since that sold his
 16 production to Teal who then has in-field on eighty-acre
 17 spacing. It could be as far back as the late sixties.

18 MR. STAMETS: I think we need to find that order
 19 before the case is concluded this morning.

20 Okay, you may proceed.

21

22 GLEN HARBERT

23 called as a witness, having been first duly sworn, was
 24 examined and testified as follows:

25

DIRECT EXAMINATION

BY MR. BUELL:

Q Would you state your name, please?

A I'm Glen Harbert.

Q Mr. Harbert, by whom are you employed and in what capacity?

A I'm president of D-I-G, Incorporated in Midland, Texas.

Q And are you familiar with the well in this case that is the subject matter of this application?

A Yes, sir.

Q And what has been your connection with that well?

A We deviated the wellbore and run a single-shot survey.

Q And referring you to what has been marked as Exhibit Seven, would you explain what that exhibit shows, please?

A This shows where we kicked the wellbore off and the direction that we kicked it and the bottom-hole location.

Q And what is the present bottom-hole location of the deviated well?

A The bottom-hole location is at nine thousand and nine, true vertical depth is two hundred and eighty-four point eighty-two foot north, thirty-five degrees and thirty-six minutes east of the surface location.

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1 Q Was Exhibit Seven prepared by you or under your
 2 supervision?

3 A Yes, sir.

4 MR. BUELL: I move the introduction of Exhibit
 5 Number Seven, Mr. Examiner.

6 MR. STAMETS: Exhibit Number Seven will be admitted.
 7 (THEREUPON, Applicant's Exhibit Number Seven
 8 was admitted into evidence.)

9 MR. BUELL: I have nothing further of this witness.

10 MR. STAMETS: What is the actual location of the
 11 bottom hole when it is measured from the south line and the
 12 east line of Section Ten?

13 MR. HARBERT: I don't have that information.

14 MR. STAMETS: Does your other witness have that?

15 MR. BUELL: Do you know what that is?

16 MR. PROBANDT: I can calculate it. It may take me
 17 a minute.

18 MR. HARBERT: I don't have a copy of the surface
 19 location.

20 MR. PROBANDT: Mr. Examiner, these calculations
 21 indicate that the location would be eight hundred and ninety-
 22 one point five, five feet from the south line and four hundred
 23 and ninety-four point two oh feet from the east line.

24 MR. STAMETS: Okay, if any subsequent check shows it
 25 to be erroneous, if you would advise the Examiner, I would

1 appreciate it.

2 MR. STAMETS: What acreage is dedicated to this
3 particular well?

4 MR. PROBANDT: An eighty-acre tract which is the
5 south half of the southeast quarter of Section 10, 10 South,
6 32 East.

7 MR. STAMETS: The south half?

8 MR. PROBANDT: Of the southeast quarter.

9 MR. STAMETS: Any other questions of the witnesses?
10 They may be excused.

11 (THEREUPON, the witnesses were excused.)

12 MR. BUELL: I have nothing further, Mr. Examiner.


13 MR. STAMETS: If there is nothing further we will
14 take this case under advisement.

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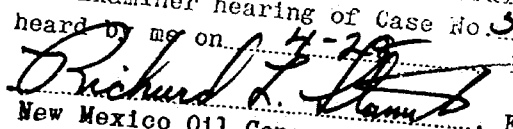
REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill and
ability.


Sidney F. Morrish, C.S.R.

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do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5671
heard by me on 4-29-1976

Richard L. Starn, Examiner
New Mexico Oil Conservation Commission

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 28, 1976

EXAMINER HEARING

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1 A Yes, this is a plat on a one-to-one scale of the
2 Mescalero-Cisco area in Township 10 South, Range 32 East,
3 Lea County. The color keying and the red cross section lines
4 are indicated, I believe. Now, the blue shading is my
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16 which has a very small hard to distinguish little bit of
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2 percent of our producible hydrocarbons in this hole.

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10 drill and so waive their objections to this.

11 Q Mr. Probandt, in your opinion would the granting of
12 this application prevent waste and protect correlative rights?

13 A It would. We feel that the hydrocarbons that we
14 will be able to produce, we think, in the deviated hole were
15 definitely not present and not producible in the original
16 hole. We further feel that the correlative rights will be
17 protected because the oil in this zone would not be producible
18 from these other leases and from this other spaced hole.

19 Q Were Exhibits One through Three prepared by you
20 or under your supervision?

21 A Yes, they were.

22 MR. BUELL: Mr. Examiner, I would move Exhibits One
23 through Six inclusive at this time.

24 MR. STAMETS: These exhibits will be admitted.

25 (THEREUPON, Applicant's Exhibits One

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Phone (505) 982-9212

1 through Six were admitted into evidence.)

2 MR. BUELL: I have nothing further of this witness.

3 MR. STAMETS: Mr. Buell, does either one of your
4 witnesses know what the spacing is in this pool, what the
5 standard locations are?

6 MR. PROBANDT: Eighty acres.

7 MR. STAMETS: Eighty acres. And do you know what
8 the order number is that assigns that? I went through our
9 records yesterday trying to determine this and I couldn't
10 find a special pool rule order.

11 MR. PROBANDT: I was present and a witness at this
12 hearing that established this spacing. It has been a matter
13 of three or four years, I think. I have no idea what the
14 number would be. At that time it was a Roger C. Hanks'
15 application for spacing. Mr. Hanks since that sold his
16 production to Teal who then has in-field on eighty-acre
17 spacing. It could be as far back as the late sixties.

18 MR. STAMETS: I think we need to find that order
19 before the case is concluded this morning.

20 Okay, you may proceed.

21

22

GLEN HARBERT

23

called as a witness, having been first duly sworn, was
24 examined and testified as follows:

25

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DIRECT EXAMINATION

BY MR. BUELL:

Q Would you state your name, please?

A I'm Glen Harbert.

Q Mr. Harbert, by whom are you employed and in what capacity?

A I'm president of D-I-G, Incorporated in Midland, Texas.

Q And are you familiar with the well in this case that is the subject matter of this application?

A Yes, sir.

Q And what has been your connection with that well?

A We deviated the wellbore and run a single-shot survey.

Q And referring you to what has been marked as Exhibit Seven, would you explain what that exhibit shows, please?

A This shows where we kicked the wellbore off and the direction that we kicked it and the bottom-hole location.

Q And what is the present bottom-hole location of the deviated well?

A The bottom-hole location is at nine thousand and nine, true vertical depth is two hundred and eighty-four point eighty-two foot north, thirty-five degrees and thirty-six minutes east of the surface location.

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Phone (505) 982-9212

1 Q Was Exhibit Seven prepared by you or under your
2 supervision?

3 A Yes, sir.

4 MR. BUELL: I move the introduction of Exhibit
5 Number Seven, Mr. Examiner.

6 MR. STAMETS: Exhibit Number Seven will be admitted.

7 (THEREUPON, Applicant's Exhibit Number Seven
8 was admitted into evidence.)

9 MR. BUELL: I have nothing further of this witness.

10 MR. STAMETS: What is the actual location of the
11 bottom hole when it is measured from the south line and the
12 east line of Section Ten?

13 MR. HARBERT: I don't have that information.

14 MR. STAMETS: Does your other witness have that?

15 MR. BUELL: Do you know what that is?

16 MR. PROBANDT: I can calculate it. It may take me
17 a minute.

18 MR. HARBERT: I don't have a copy of the surface
19 location.

20 MR. PROBANDT: Mr. Examiner, these calculations
21 indicate that the location would be eight hundred and ninety-
22 one point five, five feet from the south line and four hundred
23 and ninety-four point two oh feet from the east line.

24 MR. STAMETS: Okay, if any subsequent check shows it
25 to be erroneous, if you would advise the Examiner, I would

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1 appreciate it.

2 MR. STAMETS: What acreage is dedicated to this
3 particular well?

4 MR. PROBANDT: An eighty-acre tract which is the
5 south half of the southeast quarter of Section 10, 10 South,
6 32 East.

7 MR. STAMETS: The south half?

8 MR. PROBANDT: Of the southeast quarter.

9 MR. STAMETS: Any other questions of the witnesses?
10 They may be excused.

11 (THEREUPON, the witnesses were excused.)

12 MR. BUELL: I have nothing further, Mr. Examiner.


13 MR. STAMETS: If there is nothing further we will
14 take this case under advisement.

15
16
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25

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Phone (505) 982-8212

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill and
ability.


Sidney F. Morrish, C.S.R.

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 3671
heard by me on 4-28-76
Richard H. Hume, Examiner
New Mexico Oil Conservation Commission

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Gentlemen:

This is regarding Case No. 5671, scheduled April 28, 1976, concerning an application to directionally drill Ard Drilling Company State "10" No. 1, located in the North Mescalero-Cisco Pool, Lea County, New Mexico.

According to the information furnished us, this well was spudded March 10, 1976, and drilled to a total depth of 9010 feet. The surface location is 660 feet from the South line and 660 feet from the East line of Section 10. At 9010 feet the bottom hole is located 15.29 feet North and 161.50 feet East with a horizontal displacement of 162.22 feet at North 84° East of the surface location. According to electric logs no producible porosity was indicated in the Cisco zone. In order to develop a pay zone in the Cisco, the hole was plugged back to an approximate depth of 7800 feet and the well is in the process of being directionally drilled down to the Cisco zone. It is anticipated that the bottom of the hole will be approximately 480 feet from the East line and 895 feet from the South line of Section 10.

Texas Oil and Gas Company has no objection to Ard Drilling Company's request regarding Case No. 5671, scheduled for hearing April 28, 1976.

Yours very truly,

TEXAS OIL AND GAS COMPANY

By: *J. M. Colton*

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
<i>Appl.</i>	EXHIBIT NO. <i>4</i>
CASE NO.	<i>5671</i>
Submitted by	<i>Ard</i>
Hearing Date	<i>Apr. 28, 1976</i>

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Gentlemen:

Regarding case No. 5671, scheduled April 28, 1976, concerning an application to directionally drill Ard Drilling Company State "10" No. 1, located in the North Mescalero-Cisco Pool, Lea County, New Mexico, we concur with said request.

Yours very truly,

Pennzoil Company

By: *W. C. Hager*
April 26, 1976

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
<i>Ard</i>	EXHIBIT NO. <i>5</i>
CASE NO.	<i>5671</i>
Submitted by	<i>Ard</i>
Hearing Date	<i>Apr. 28, 1976</i>

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Gentlemen:

Regarding case No. 5671, scheduled April 28, 1976, concerning an application to directionally drill Ard Drilling Company State "10" No. 1, located in the North Mescalero-Cisco Pool, Lea County, New Mexico, we concur with said request.

Yours very truly,

Teal Petroleum Company

By:

[Signature]
4/26/76

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
Appl.	EXHIBIT NO. 6
CASE NO.	5671
Submitted by	Ard
Hearing Date	Apr. 28, 1976

DIRECTIONAL
INVESTMENT
GUIDANCE, INC.



P. O. Box 7238 • Midland, Texas 79701 • Phone (915) 563-1490

STATE OF Texas
COUNTY OF Midland

I, Loyd V. Jones, in the employ of the Directional Drilling Department of Directional Investment Guidance, Inc., did on the days of March 9, 19 76 thru March 23, 19 76 conduct or supervise the taking of a Magnetic Single Shot Survey by the method of Magnetic Oriented Survey from a depth of 7805 M D feet to 9037 M D feet, with records of inclination being taken at approximately every 120 feet.

This survey was conducted at the request of ARD Drilling Company for their State 10 Well No. 1 Lea County, State of New Mexico, in the Field.

Loyd V. Jones
Loyd V. Jones

STATE OF Texas
COUNTY OF Midland

Before me the undersigned authority, on this day personally appeared Loyd V. Jones, known to me to be the person whose name is subscribed to this instrument, who after being by me duly sworn on oath, states that he has knowledge of all the facts stated above and that the same is a true and correct statement of facts therein recited.

Subscribed and sworn to before me this 27th day of April, 19 76.

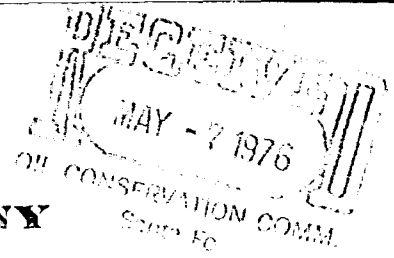
Jessie Coppedge
Notary Public in and for the
Midland County, Texas

	MEASURED DEPTH	DRIFT ANGLE	TRUE VERTICAL DEPTH	VERTICAL SECTION	COURSE DEVIATION	DRIFT DIRECTION	RECTANGULAR COORDINATES			
							NORTH	SOUTH	EAST	WEST
1	7805	2 3/4°	7801.59	106.43		S82E	15.28		161.59	
2	7970	4°	7966.28	116.33	10.07	N 5 W	22.52		168.59	
3	8032	4 3/4°	8028.11	119.82	4.59	N 4 W	27.09		168.19	
4	8060	4 3/4°	8056.01	121.66	2.32	N	29.41		168.11	
5	8156	5 3/4°	8151.61	128.98	8.78	N 3 E	38.18		168.42	
6	8284	8 3/4°	8278.59	142.59	16.15	N 4 E	54.31		169.27	
7	8409	11 3/4°	8401.60	161.75	22.24	N 6 E	76.47		171.21	
8	8533	12 1/4°	8522.89	183.96	25.78	N 4 E	102.15		173.46	
9	8659	13 1/4°	8645.78	207.41	27.81	N 2 E	129.92		174.92	
10	8784	15°	8766.93	232.45	30.77	N 1 W	160.69		174.92	
11	8903	16°	8881.60	256.98	31.80	N 8 W	192.41		172.70	
12	9037	18 1/2°	9009.57	284.82	39.74	N11W	231.55		165.80	
Closure 284.82' N35°36'E										
DIG, Inc. Calculations are based on the Averaging Method. Calculations @ 7805 taken from Sperry Sun Survey.										

ARD DRILLING COMPANY

P. O. BOX 1030

MIDLAND, TEXAS 79701



308 WALL TOWERS EAST
915-684-5716

May 4, 1976

New Mexico Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. Dick Stamets

Re: Ard Drilling Company State "10" No. 1
Section 10, T-10-S, R-32-E
Lea County, New Mexico

Gentlemen:

Per our telephone conversation on May 3, 1976, we are attaching the following data on the subject well:

1. Deviation record from 0 to 3463 feet.
2. Sperry-Sun Multishot survey from 3463 to 7805 feet.
3. Directional Investment Guidance, Inc. Magnetic Single Shot Survey on the deviated hole from 7805 to 9037 feet.

Form C-103, Sundry Notices and Reports on Wells for work to date have been filed with the Hobbs, New Mexico office.

Yours very truly,

A handwritten signature in cursive script, appearing to read "N. W. Harrison".

N. W. Harrison
Manager

NWH:CW

Attachments

RECEIVED
MAY - 7 1976

NEW MEXICO OIL CONSERVATION COMMISSION

OPERATOR Ard Drilling Company ADDRESS P. O. Box 1030, Midland, Texas 79701
FIELD North Mescalero LEASE State "10" WELL NO. 1
LOCATION 660' FSL and 660' FEL of Section 10, T-10-S, R-32-E, Lea County, New Mexico

DEVIATION RECORD

260000
42° =
6190476° *
9°25' X
1°8' =
17° *
2648° +
1395° -
1253° *
12°53' X
1°3' =
16° *
430
925
1395
1705
2192
2648
3086
3463
DEGREES
1
1
3/4
3/4
3/4
3/4
1-3/4
2-1/4

3086° +
2648° -
438° *
4°38' X
3°1' =
14° *
3463° +
3086° -
377° *
3°77' X
3°9' =
15° *
15° +
14° +
16° +
17° +
62° *

Directional Survey for intervals 3463 to 7805 feet

Investment Guidance, Inc. survey for new interval

knowledge of Deviation Record:

I have personal knowledge of the data and facts placed on this
ation is true and complete.

N. W. Harrison

Signature

Ard Drilling Company
Company

COUNTY OF MIDLAND

Before me, the undersigned authority, on this day personally appeared
N. W. Harrison, known to me to be the person whose name is subscribed hereto,
who, after being duly sworn, on oath states that he is acting at the direction and on
behalf of the operator of the well identified in this instrument and that such well was
not intentionally deviated from the vertical.

N. W. Harrison

Signature

Manager, Ard Drilling Company
Title

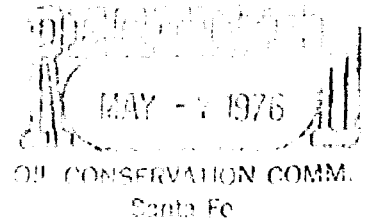
Sworn and Subscribed to before me, this the 4th day of May, 1976

S. R. McKinney, Jr.
S. R. McKINNEY, JR.
Notary Public in and for Midland County,
Texas.

MY COMMISSION EXPIRES:

June 1, 1977

DIRECTIONAL
INVESTMENT
GUIDANCE, INC.



P. O. Box 7238 • Midland, Texas 79701 • Phone (915) 563-1490

STATE OF Texas
COUNTY OF Midland

I, Lloyd V. Jones, in the employ of the Directional Drilling Department of Directional Investment Guidance, Inc., did on the days of March 9, 19 76 thru March 23, 19 76 conduct or supervise the taking of a Magnetic Single Shot Survey by the method of Magnetic Oriented Survey from a depth of 7805 M D feet to 9037 M D feet, with records of inclination being taken at approximately every 120 feet.

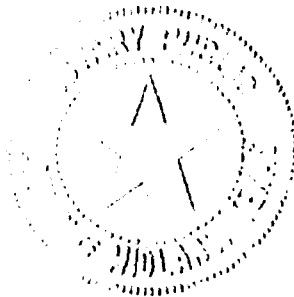
This survey was conducted at the request of ARD Drilling Company for their State 10 Well No. 1 Lea County, State of New Mexico, in the Field.

Lloyd V. Jones
Lloyd V. Jones

STATE OF Texas
COUNTY OF Midland

Before me the undersigned authority, on this day personally appeared Lloyd V. Jones, known to me to be the person whose name is subscribed to this instrument, who after being by me duly sworn on oath, states that he has knowledge of all the facts stated above and that the same is a true and correct statement of facts therein recited.

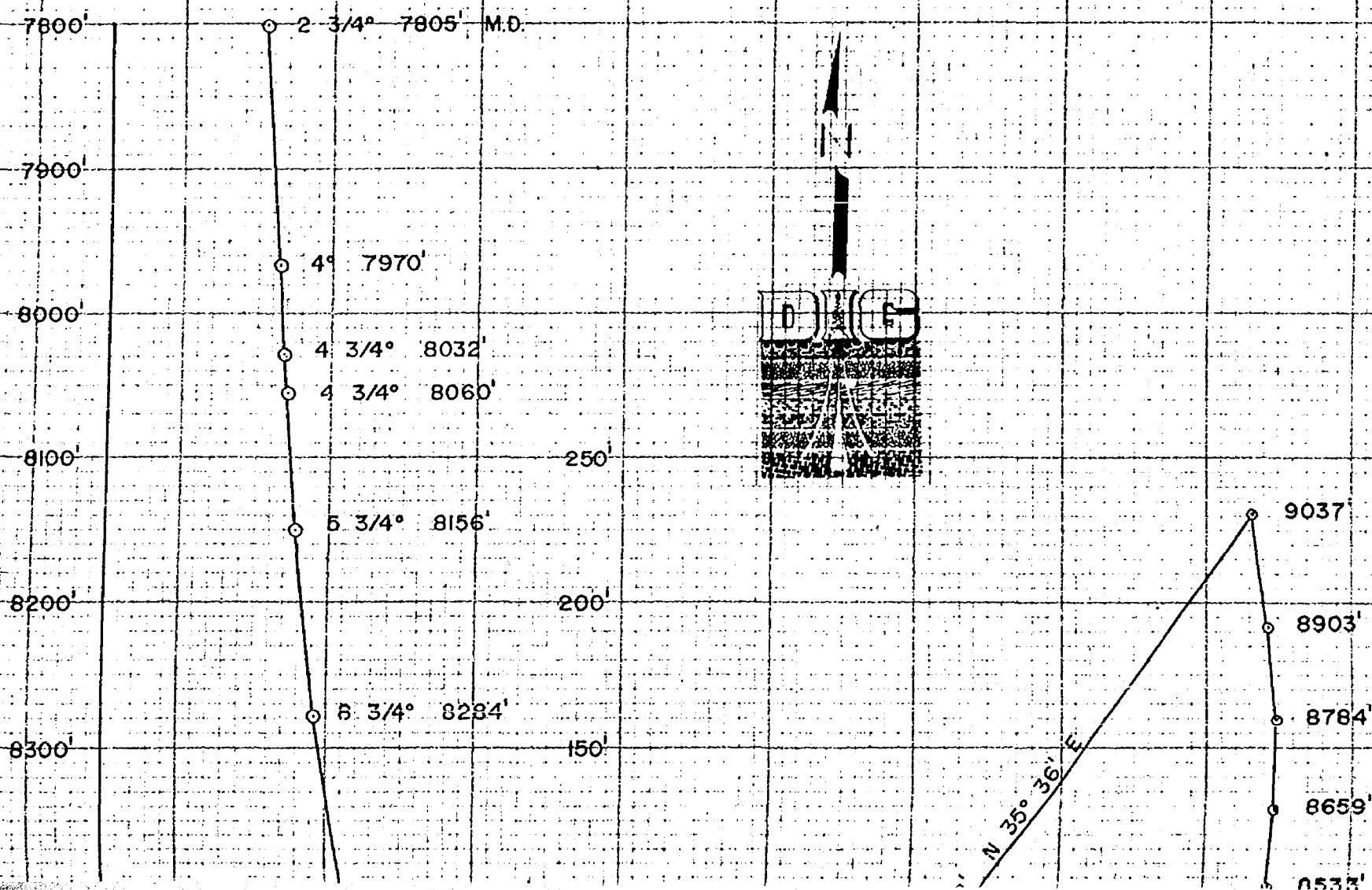
Subscribed and sworn to before me this 27th day of April, 19 76.

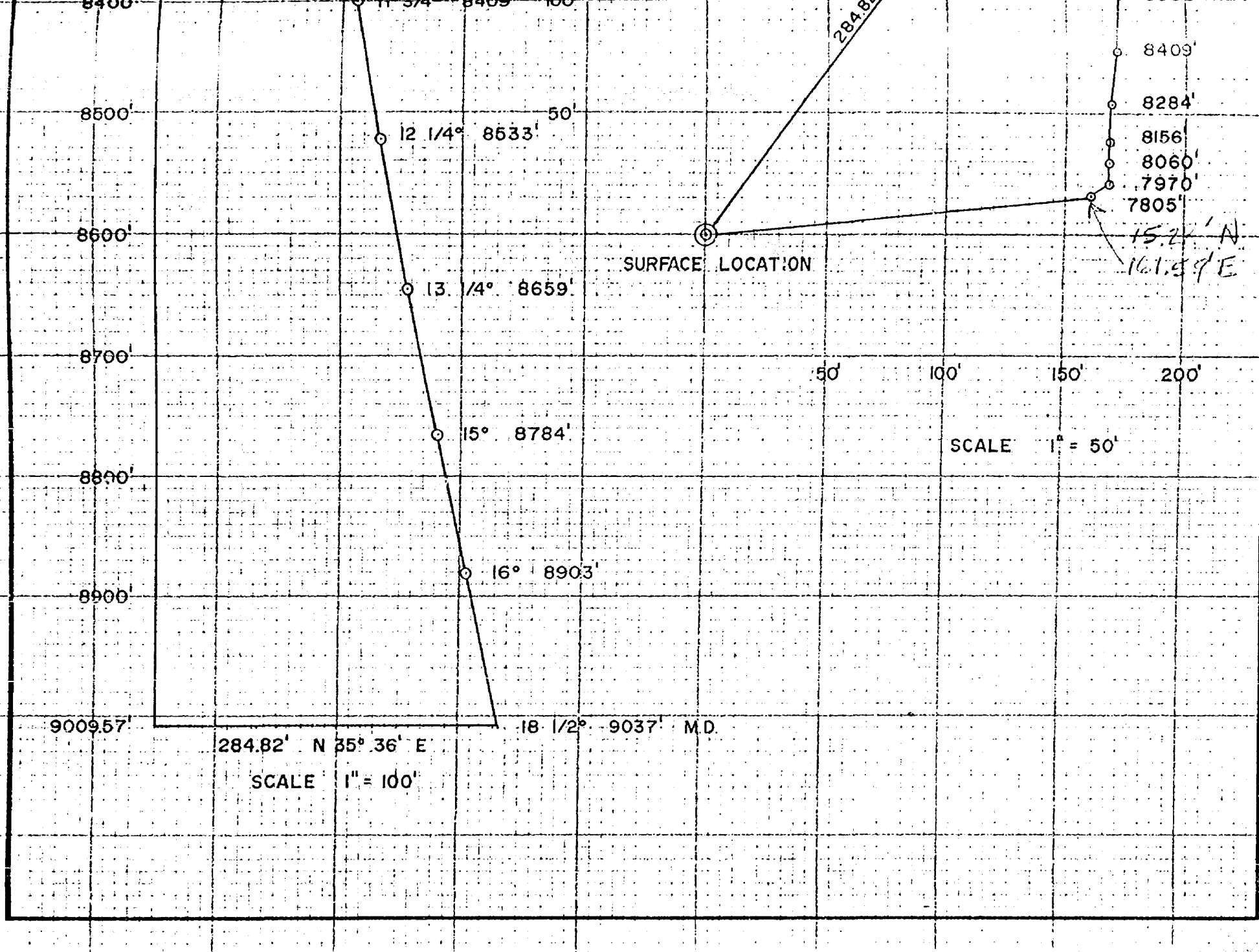


J. J. Cappelletti
Notary Public in and for the
Midland County, Texas

	MEASURED DEPTH	DRIFT ANGLE	TRUE VERTICAL DEPTH	VERTICAL SECTION	COURSE DEVIATION	DRIFT DIRECTION	RECTANGULAR COORDINATES			
							NORTH	SOUTH	EAST	WEST
1	7805	2 3/4°	7801.59	106.43		S82E	15.28		161.59	
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12	9037	18 1/2°	9009.57	284.82	39.74	N11W	231.55		165.80	
Closure 284.82' N35°36'E										
DIG, Inc. Calculations are based on the Averaging Method. Calculations @ 7805 taken from Sperry Sun Survey.										

ARD DRILLING COMPANY
STATE 10 NO. 1
LEA COUNTY, NEW MEXICO





sperry-sun



J. A. Fouché
President

April 12, 1976

ARD Drilling Company
P.O. Box 1030
Midland, TX 79701

Gentlemen:

The enclosed film and five folders show the results of our Multishot survey job no. MS-6407, on the State "10" lease well no. 1, in Lea County, NM on April 10, 1976. This survey was ran from 3,463 feet to a depth of 7,805 feet.

This folder contains the original of the computation sheet, and field data sheet.

It has been a pleasure to perform this survey for you.

Very truly yours,

SPERRY-SUN, INC.

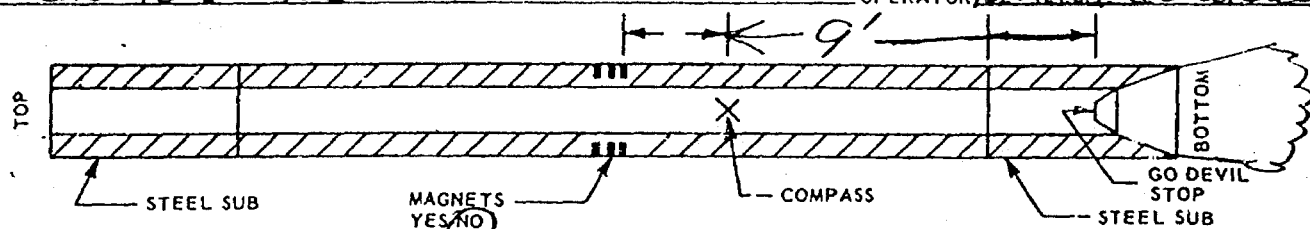
Glenn A. Belote
District Manager

GAB/jp
enclosures

SPERRY-SUN WELL SURVEYING COMPANY
MAGNETIC MULTISHOT FIELD DATA AND TIME SHEET NO. 1

COMPANY Arld Drilling Co. JOB NO. 1115-6467
 STATE New Mexico COUNTY/PARTSH Lea DATE April 9, 1976
 LEASE State 10 WELL NO. 1 SURVEYED FROM 3463 TO 7205 FEET
 FIELD Mesa 1110
 CLOCK NO. E-202 FRAME NO. 624 MAGAZINE NO. 778 COMPASS NO. 1264 CENTRALIZER R.F.
 COMPASS SPACING 9' FROM BOTTOM ✓ LENGTH OF COLLAR 27' TYPE COLLAR SS
 FILM LENGTH CALC. 77.8 MEASURED 72 1/2 FIRST FLASH 000.00 LAST FLASH 266.00
 REMARKS: See 10 10-3 32 E OPERATOR W. E. Edwards

1/2 C.H.



IN RUN SURFACE TIME	MEASURED DEPTH	OUT RUN SURFACE TIME	IN RUN SURFACE TIME	MEASURED DEPTH	OUT RUN SURFACE TIME	IN RUN SURFACE TIME	MEASURED DEPTH	OUT RUN SURFACE TIME
10-30	Mark		100-00	5704				
			100-45					
11-30	Drop		103-25 P.M.		105-00			
			104-10	5610	106-55 ✓			
			107-55					
			108-40	5516				
			110-00					
22-15	7305		110-45	5422 ✓				
25-30			112-10					
30-45	7770		112-55	5328 ✓				
35-15			114-15					
40-15	7676 ✓		115-00	5234 ✓				
45-30			116-10					
46-10	7582 ✓		116-55	5140 ✓				
47-35			118-00					
48-20	7488 ✓		118-45	5046 ✓				
49-55			120-10					
50-40	7394 ✓		120-55	4952 ✓				
52-20			122-10					
53-05	7300 ✓		122-55	4858 ✓				
54-55			124-10					
55-40	7206 ✓		124-55	4764 ✓				
56-10			126-05					
56-55	7112 ✓		126-50	4670 ✓				
58-10		60-55	128-05					
59-55	7019 ✓	63-00 ✓	128-50	4576 ✓				
60-00			130-25					
60-45	6925 ✓		130-55	4482 ✓				
61-55		67-50	132-20					
62-55	6831 ✓	67-35 ✓	132-55	4389 ✓				
64-15			134-15					
67-30	6737 ✓		135-00	4295 ✓				
70-20			136-10					
72-20	6643 ✓		136-55	4201 ✓				
74-15			138-00					
75-30	6549 ✓		138-45	4107 ✓				
77-20			140-00					
78-05	6455 ✓		140-45	4013 ✓				
79-20			141-55					
81-15	6361 ✓		142-40	3919 ✓				
82-20			143-50					
83-05	6267 ✓		144-35	3825 ✓				
84-25			145-30					
85-10	6173 ✓		146-35	3731 ✓				
86-45			147-10					
87-30	6079 ✓		148-25	3637 ✓				
88-50			149-25					
89-35	5985 ✓		150-10	3543 ✓				
90-50			151-30					
91-35	5891 ✓		151-00	3449				
92-55		94-35						
93-25	5797 ✓	94-25		3355				

SP-437

OK

ARD DRILLING CO.
 STATE '10' NO.1
 MESCALERO FIELD
 LSA COLONY NEW MEXICO
 MAGNETIC MULTISHOT

PAGE 1
 DATE OF SURVEY APRIL 10, 1976
 VERTICAL SECTION DIRECTION CLOSURE
 MS-6407

SPERRY-SUN
RECORD OF SURVEY

MEASURED	TRUE	SUB	COURSE	COURSE	DOG-LEG	TOTAL		
DEPTH	DEPTH	TVD	INCLINATION	DIRECTION	SEC	RECTANGULAR	COORDINATES	VERTICAL
			DEG MIN	DEG	DEG/100	NORTH/SOUTH	EAST/WEST	SECTION
3463	3463.00	3463.00	ASSUMED VERTICAL TO 3463 FEET			.00 N	.00 E	.00
3543	3542.94	3542.94	2 15	N 69 E	2.91	1.13 N	2.93 E	3.03
3637	3636.67	3636.67	2 15	N 74 E	.21	2.14 N	6.40 E	6.65
3731	3730.61	3730.61	2 0	N 73 E	.27	3.10 N	9.62 E	9.67
3825	3824.76	3824.76	1 45	N 77 E	.30	3.75 N	12.41 E	12.71
3919	3918.71	3918.71	2 0	N 68 E	.41	4.98 N	15.46 E	15.86
4013	4012.66	4012.66	1 45	N 62 E	.34	5.32 N	17.99 E	18.51
4107	4106.61	4106.61	2 0	N 75 E	.47	7.23 N	21.13 E	21.79
4201	4200.56	4200.56	2 0	N 76 E	.12	7.27 N	24.34 E	24.99
4295	4294.49	4294.49	2 0	N 75 E	.04	6.50 N	27.50 E	28.24
4389	4388.47	4388.47	1 15	N 65 E	.90	9.46 N	29.41 E	30.16
4482	4481.46	4481.46	1 0	N 71 E	.30	9.99 N	30.95 E	31.75
4576	4575.44	4575.44	1 0	N 66 E	.31	10.04 N	32.53 E	33.39
4670	4669.42	4669.42	1 15	N 61 E	.30	10.36 N	34.61 E	35.44
4764	4763.39	4763.39	1 30	N 61 E	.27	10.75 N	37.04 E	37.92
4858	4857.34	4857.34	1 45	N 60 E	.39	10.75 N	39.92 E	40.75
4952	4951.27	4951.27	2 15	N 53 E	.56	11.07 N	43.55 E	44.44
5046	5045.23	5045.23	1 45	N 57 E	.54	11.22 N	46.43 E	47.31
5140	5139.16	5139.16	1 45	N 60 E	.27	11.02 N	49.32 E	50.14
5234	5233.11	5233.11	2 15	N 66 E	.53	10.75 N	53.00 E	53.76
5328	5327.02	5327.02	2 30	S 71 E	.71	9.43 N	56.86 E	57.52
5422	5420.93	5420.93	2 30	S 77 E	.29	8.51 N	58.83 E	61.41
5516	5514.84	5514.84	2 30	N 65 E	.68	8.56 N	64.95 E	65.45
5610	5609.67	5609.67	3 30	N 66 E	1.04	10.91 N	70.22 E	70.93
5704	5702.51	5702.51	3 15	N 76 E	.66	12.20 N	75.31 E	76.20
5797	5795.36	5795.36	3 15	N 66 E	.61	14.35 N	90.21 E	81.20
5891	5889.29	5889.29	2 15	N 70 E	1.08	15.61 N	83.67 E	84.77
5985	5983.22	5983.22	2 15	N 72 E	.93	16.75 N	97.15 E	99.37
6079	6077.16	6077.16	2 0	N 73 E	.27	17.71 N	90.32 E	91.59
6173	6171.09	6171.09	2 15	N 74 E	.27	18.72 N	93.87 E	95.21

ARD DRILLING CO.
STATE '10' NO.1
MISCALLERO FIELD
LEA COUNTY, NEW MEXICO
MAGNETIC MULTISHOT

PAGE 2
DATE OF SURVEY APRIL 10, 1978
VERTICAL SECTION DIRECTION CLOSURE
MS-6467

SPEERY-SUN
RECORD OF SURVEY

MEASURED	TRUE	SUB	COURSE	COURSE	DOG-LEG	TOTAL		VERTICAL
DEPTH	VERTICAL	SEA	INCLINATION	DIRECTION	SEV	RECTANGULAR	COORDINATED	SECTION
	DEPTH	TVC	DEG MIN	DEG	DEG/100	NORTH/SOUTH	EAST/WEST	
6267	6265.02	6265.02	2 15	S 86 E	.83	18.47 N	97.58 E	98.85
6361	6358.96	6358.96	2 0	S 70 E	.41	17.79 N	100.76 E	101.99
6453	6452.92	6452.92	1 45	S 31 E	.29	17.34 N	103.59 E	104.77
6546	6546.89	6546.89	1 15	S 65 E	.54	17.10 N	105.64 E	106.76
6643	6640.85	6640.85	1 45	N 11 E	.86	17.61 N	103.47 E	109.65
6737	6734.79	6734.79	2 0	S 88 E	.52	17.30 N	111.74 E	112.68
6831	6828.74	6828.74	2 0	N 12 E	.19	17.43 N	115.02 E	115.15
6925	6922.63	6922.63	2 45	S 39 E	.80	17.30 N	119.33 E	119.64
7019	7016.54	7016.54	2 30	S 37 E	.28	17.14 N	123.53 E	124.0
7112	7109.41	7109.41	3 0	N 50 E	.50	17.14 N	126.49 E	126.74
7206	7203.34	7203.34	2 15	N 89 E	.80	17.21 N	132.13 E	133.22
7300	7297.25	7297.25	2 30	S 68 E	.30	17.00 N	136.26 E	137.26
7394	7391.14	7391.14	2 45	N 54 E	.47	17.53 N	140.77 E	141.79
7489	7485.03	7485.03	2 45	N 36 E	.10	17.85 N	145.27 E	146.30
7582	7578.86	7578.86	3 15	S 60 E	.94	16.92 N	150.81 E	151.44
7676	7672.77	7672.77	2 45	S 83 E	.55	16.37 N	154.99 E	155.84
7770	7766.64	7766.64	3 0	S 80 E	.31	15.92 N	159.84 E	160.59
7865	7861.50	7861.50	2 45	S 52 E	.77	15.29 N	161.50 E	162.20

•• THE CALCULATIONS ARE BASED ON THE TANGENTIAL OR TERMINAL ANGLE METHOD ••

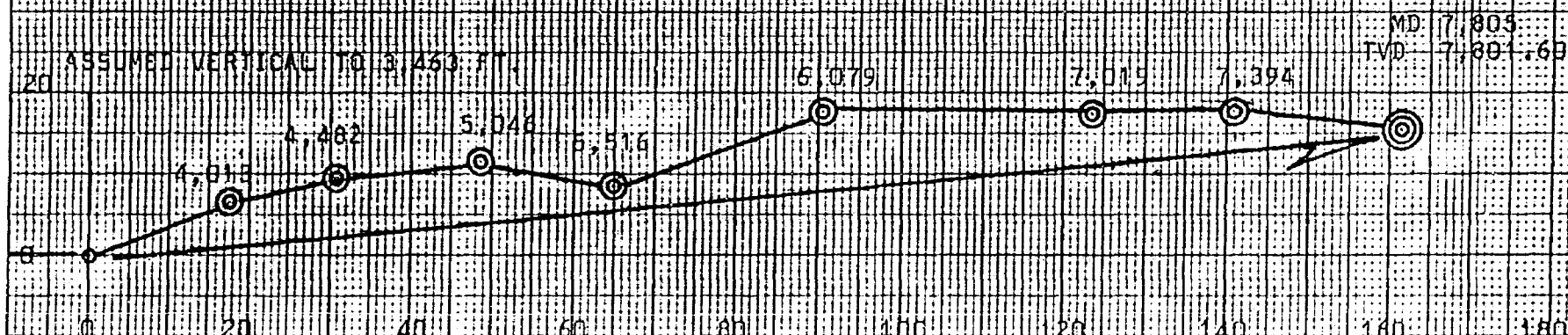
HORIZONTAL DISPLACEMENT = 162.22 FEET AT NORTH 84 DEG. 33 MIN. EAST (TRUE)

ARD DRILLING COMPANY
 STATE 10, WELL NO. 1
 MESCALERO FIELD
 LEA COUNTY, NEW MEXICO
 MAGNETIC MULTISHOT SURVEY
 JOB NO. MB-6407
 3,463 FEET TO 7,805 FEET

SPERRY-SUN
 HORIZONTAL PROJECTION

1" = 20'

HORIZONTAL DISPLACEMENT - 162.22 FT. AT NORTH 84 DEG. 36 MIN. EAST (TRUE)

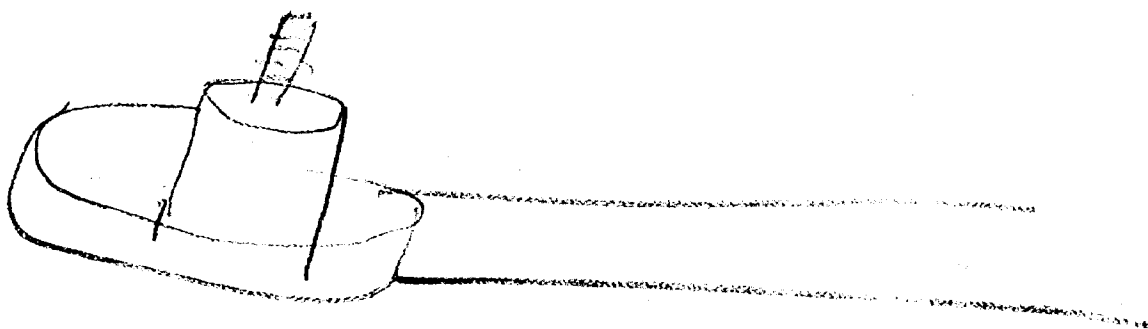
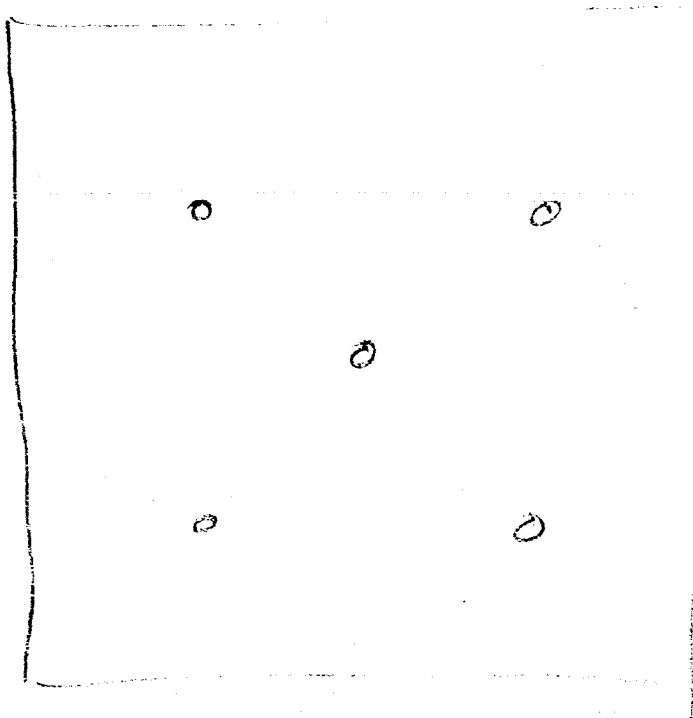


46 1320

K-E
 10 X 10 TO 1/2 INCH 2 X 10 INCHES
 KEUFFEL & ESSER CO. MADE IN U.S.A.

1980' 1980

G 22 17 25
Eagle Creek-SA



Dockets Nos. 14-76 and 15-76 are tentatively set for hearing on May 12 and May 26, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 28, 1976

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 5670: Application of Read & Stevens, Inc. for an unorthodox location and directional drilling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to deviate its Harris-Federal Well No. 3, the surface location of which is 660 feet from the South line and 1980 feet from the East line of Section 27, Township 15 South, Range 28 East, Chaves County, New Mexico, by directionally drilling said well from a kick-off point at approximately 6000 feet and bottoming it at an unorthodox location in the Pennsylvanian formation within 250 feet of a point 990 feet from the South line and 1650 feet from the East line of said Section 27, the S/2 of the Section to be dedicated to the well.

CASE 5671: Application of Ard Drilling Co. for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to deviate its State 10 Well No. 1, the surface location of which is 660 feet from the South and East lines of Section 10, Township 10 South, Range 32 East, North Mescalero-Cisco Pool, Lea County, New Mexico, by directionally drilling said well from a kick-off point at approximately 7800 feet and bottoming it in the Cisco formation within 100 feet of a point 810 feet from the South line and 660 feet from the East line of said Section 10.

CASE 5672: Application of Horace F. McKay, Jr. for downhole commingling and simultaneous dedication, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Aztec-Fruitland and Aztec-Pictured Cliffs gas production in the wellbore of his Beardon "A" Well No. 1, located in Unit C of Section 19, Township 29 North, Range 10 West, San Juan County, New Mexico. Applicant further seeks approval for the simultaneous dedication of the NW/4 of said Section 19 to the above-described well and his Beardon Well No. 1 in Unit E of said Section 19.

CASE 5673: Application of David Fasken for approval of an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 1980 feet from the South line and 660 feet from the West line of Section 32, Township 20 South, Range 25 East, Cemetery-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 32 to be dedicated to the well.

CASE 5674: Application of Agua, Inc. for an extension of time and amendment of Orders Nos. R-4495-A and R-4495-B, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Orders Nos. R-4495-A and R-4495-B to permit disposal, after the current May 7, 1976, deadline, of produced salt water through perforations from 4230 feet to 4320 feet in its SWD Well No. C-2, located in Unit C of Section 2, Township 22 South, Range 37 East, Lea County, New Mexico. Applicant seeks the amendment of said orders to permit such disposal for an additional 90-day period after May 7, 1976, and thereafter until 30 days after the entry of an order favorable to the applicant in Case No. 5644.

CASE 5675: Application of Merrion & Bayless for a dual completion and downhole commingling, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (combination) of its Jicarilla 428 Well No. 2, located in Unit A of Section 31, Township 23 North, Range 4 West, Sandoval County, New Mexico, by cementing parallel strings of 2 7/8-inch casing and 4 1/2-inch casing in a common wellbore, completing said well in such a manner as to commingle undesignated Pictured Cliffs and undesignated Chacon gas production in the 2 7/8-inch casing, and to commingle various undesignated Mesaverde, Mancos, Gallup, Carlisle, and Graneros gas stringers in the 4 1/2-inch casing.

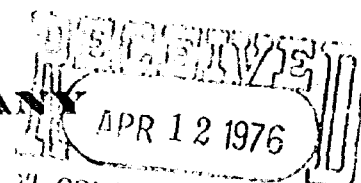
CASE 5443: (Reopened & Continued)

In the matter of Case 5443 being reopened pursuant to the provisions of Order No. R-4994, which order established special rules and regulations for the East Lusk-Bone Spring Oil Pool, Lea County, New Mexico, including a provision for 160-acre spacing and proration units. All interested parties may appear and show cause why said pool should not be developed on less than 160-acre spacing units.

ARD DRILLING COMPANY

P. O. BOX 1030

MIDLAND, TEXAS 79701



NEW MEXICO OIL
CONSERVATION COMM.
Santa Fe
308 WALL TOWERS EAST
915-684-5716

April 9, 1976

New Mexico Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. Dan Nutter, Chief Engineer

Case 5671

Re: Ard Drilling Company State "10" Well No. 1
Located 660 feet from the South and East
Lines of Section 10, T-10-S, R-32-E
Lea County, New Mexico

Gentlemen:

The well in caption was drilled to a total depth of 9010 feet in the Cisco pay. However, the porosity was absent. We plan to plug back to 7800 feet and directionally drill due north to a point approximately 230 feet from the original hole, which we believe will put us back into the porosity.

We request a formal hearing so that we can obtain permission to accomplish this.

Yours very truly,

J. E. R. Sheeler
Vice-President

JERS:CW

DRAFT

dr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5671

Order No. R-5220

APPLICATION OF ARD DRILLING CO.
FOR DIRECTIONAL DRILLING, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 28, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of May, 1976, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Ard Drilling Co., is the owner and operator of its State 10 Well No. 1, the surface location of which is 660 feet from the South line and 660 feet from the East line of Section 10, Township 10 South, Range 32 East, North Mescalero-Cisco Pool, Lea County, New Mexico.

(4) That applicant ~~seeks authority to deviate the above-~~ ^{subsequently deviated the above-} described well by directionally drilling said well from a kick-off point at approximately 7800 feet and bottoming it in the Cisco formation ~~within 100 feet of~~ ^{at} a point 892 feet from the South line and ~~494~~ ^{more or less} feet from the East line of said Section 10.

(3) That at its original bottom hole location, ~~the said~~ said well encountered only tight non-commercial porosity zones within the Cisco formation

(5) That at said deviated bottom hole location said well encountered productive porosity zones within the Cisco formation.

(6) That the applicant seeks approval of the directional drilling of said well in the manner and to the point described in Finding No. (4) above.

(5) That the applicant seeks to amend its original application to directionally drill said well to a target within 100 feet of a point 810 feet from the South line and 660 feet from the East line of said Section 10 to the bottom hole location described in Finding No (4) above.

(6) That the bottom hole location described in Finding No (4) above would be a legal surface well location in said North Mescalero - Cisco Pool ~~and the~~ and the request for amendment ~~of~~ of the application should be granted.

(7) That at the above-described bottom hole location applicant's State 10-Well No. 1 encountered productive porosity zones within the Cisco formation.

(8)

^{as amended,}
(8) That approval of the subject application will prevent the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Ard Drilling Co., is hereby authorized to deviate its State 10 Well No. 1, the surface location of which is 660 feet from the South line and 660 feet from the East line of Section 10, Township 10 South, Range 32 East, North Mescalero-Cisco Pool, by directionally drilling said well from a kick-off point at approximately 7800 feet and bottoming it in the Cisco formation ^{at} ~~within 100 feet of~~ a point ⁸⁹² ~~910~~ feet from the South line and ⁴⁹⁴ ~~660~~ feet from the East line ^{, more or less,} of said Section 10.

~~PROVIDED HOWEVER, that prior to said directionally drilling, applicant shall determine the subsurface location of the "kick off" point at approximately 7800 feet and subsequent to said directional drilling applicant shall determine the subsurface location of the bottom of the hole by means of continuous multi-shot directional surveys with shot points no more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey reports directly to the Commission's Santa Fe Office, P. O. Box 2088, Santa Fe, New Mexico, and that the operator shall notify the Commission's Hobbs District Office of the date and time said surveys are to be commenced.~~

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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