

acre project area with its State "CF" Well No. 10 (API No. 30-005-63068), located within a standard 40-acre oil spacing and proration unit comprising the NE/4 NW/4 of said Section 12 at a standard oil well location 847 feet from the North line and 1765 feet from the West line (Unit C) of said Section 12;

- (6) It is Marbob's intent to place its State "CF" Well No. 11 (API No. 30-005-63111) at a standard oil well location 1650 feet from the North and West lines (Unit F) of said Section 12, drill vertically to an approximate depth of 6425 feet, kick-off in a northerly direction with a short radius wellbore (71 degrees/100 feet), and drill horizontally a lateral distance of approximately 1,320 feet through the Devonian formation;
- (7) The applicable drilling window or "producing area" for said wellbore should include that area within the subject 80-acre non-standard oil spacing and proration unit comprising the E/2 NW/4 of said Section 12 that is no closer than 330 feet to the outer boundary of said proration unit; and,
- (8) It appears the applicant has satisfied all of the appropriate requirements prescribed in said Rule 111.D and E, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of Division General Rule 111.

**IT IS THEREFORE ORDERED THAT:**

(1) Marbob Energy Corporation ("Marbob") is hereby authorized to initiate a high angle/horizontal directional drilling project within a non-standard 80-acre oil spacing and proration unit comprising the E/2 NW/4 of Section 12, Township 11 South, Range 27 East, NMPM, Chisum-Devonian Pool, Chaves County, New Mexico, by drilling its State "CF" Well No. 11 (API No. 30-005-63111) at a standard oil well location 1650 feet from the North and West lines (Unit F) of said Section 12, drill vertically to an approximate depth of 6425 feet, kick-off in a northerly direction with a short radius wellbore (71 degrees/100 feet), and drill horizontally a lateral distance of approximately 1,320 feet through the Devonian formation;

**PROVIDED HOWEVER THAT** prior to commencing directional drilling operations in said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

**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