

IT IS THEREFORE ORDERED THAT:

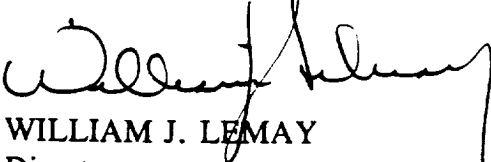
- (1) The applicant, Petroleum Development Company, is hereby authorized to institute a short radius horizontal directional drilling project in the Tomahawk-San Andres Pool on its Strange Federal Lease comprising the S/2 of Section 25, Township 7 South, Range 31 East, NMPM, Chaves County, New Mexico, hereinafter referred to as the "project area".
- (2) Within the project area, the applicant is further authorized to horizontally drill the existing Strange Federal Well No. 1 located 660 feet from the South and East lines (Unit P), the Strange Federal Well No. 2 located 660 feet from the South line and 1980 feet from the East line (Unit O), and the Strange Federal Well No. 3 located 2100 feet from the South line and 1980 feet from the East line (Unit J), all in Section 25, in a direction and lateral distance to be determined by the applicant.
- (3) The horizontal wellbores may traverse quarter and quarter-quarter section lines within the project area provided that the horizontal or producing portion of each wellbore shall be located no closer than 100 feet from the outer boundary of the project area.
- (4) The applicant shall determine the actual location of the kick-off points in each well prior to commencing directional drilling operations. Also, the applicant shall conduct a directional survey on the lateral portion of each wellbore during or after completion of drilling operations.
- (5) The applicant shall notify the supervisor of the Hobbs district office of the Division of the date and time of conductance of any directional surveys in order that the same may be witnessed.
- (6) The applicant shall submit copies of all directional surveys conducted on the subject well to both the Santa Fe and Hobbs offices of the Division.
- (7) The allowable assigned to the project area in the Tomahawk-San Andres Pool shall be assigned by the supervisor of the Division's Hobbs district office and shall be equal to 80 BOPD X the number of standard 40-acre proration units within the project area which are developed or traversed by a horizontal wellbore.
- (8) The project areas, non-standard oil proration units and oil allowables previously established for the Strange Federal Well Nos. 5 and 4 by Division Order Nos. R-9876 and R-9897, respectively, are hereby superseded by this order.

(9) The portion of the application requesting the establishment of administrative authorization procedures within the project area is hereby dismissed.

(10) Jurisdiction of this cause 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

S E A L