

**CASE NO. 10164
Order No. R-9384
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IT IS THEREFORE ORDERED THAT:

(1) The application of Petroleum Development Corporation for a short radius horizontal directional drainhole pilot project in the NE/4 SE/4 of Section 17, Township 8 South, Range 31 East, NMPM, Siete-San Andres Pool, Chaves County, New Mexico, is hereby approved.

(2) The applicant is further authorized to horizontally drill the existing Mountain States Petroleum Corporation Siete Federal Well No. 1 located 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 17 in the following manner:

Kick off from vertical at a depth of approximately 3675 feet and commence a short radius curve in a southeasterly direction building angle to approximately 75-85 degrees, commence drilling horizontally at a depth of approximately 3716 feet a distance of approximately 275 feet and bottoming said wellbore at a location no closer than 330 feet from the outer boundary of the proposed proration unit.

PROVIDED HOWEVER THAT, the horizontal portion of the subject well shall be located no closer than 330 feet from the outer boundary of the project area.

(3) The Division Director shall be authorized to administratively approve the drilling of additional drainhole(s) originating from the subject well provided that:

- a) Application showing proposed drilling details, direction, extent and terminus of such additional drainhole(s) is filed with the Santa Fe office of the Division;**
- b) A copy of such application is furnished to all offset operators;**
- c) No objections from offset operators are received within 20 days after the Division has received the application.**

