

CASE NO. 10861
Order No. R-10016
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(12) No other offset operator and/or interest owner appeared at the hearing in opposition to the application.

(13) In the interest of conservation and prevention of waste, the application of Collins & Ware Inc. for a high angle/horizontal directional drilling project should be approved.

(14) The applicant should be required to determine the actual location of the kick-off point prior to commencing directional drilling operations. Also, the applicant should be required to conduct a directional survey on the lateral portion of the wellbore during or after completion of drilling operations in order to verify that the bottomhole location is in compliance with the terms of this order.

(15) The applicant should 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.

(16) The applicant should be required to submit copies of all directional surveys conducted on the subject well to both the Santa Fe and Hobbs offices of the Division.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Collins & Ware, Inc., is hereby authorized to initiate a short radius high angle/horizontal directional drilling pilot project in the Denton-Devonian Pool underlying the SW/4 NE/4 of Section 35, Township 14 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) The applicant is further authorized to re-enter its S & J Operating T. D. Pope Well No. 5, located at a standard surface location 1980 feet from the North and East lines (Unit G) of Section 35, and horizontally drill in the following unconventional manner:

Cement squeeze open-hole interval from 12,010 feet to 12,342 feet. Set cement kick-off plug and kick off from the vertical at a depth of approximately 12,030 feet and drill in a northeasterly direction building angle to approximately 90 degrees so as to penetrate the upper portion of the Devonian formation. Continue drilling horizontally an undetermined distance so as to bottom said wellbore no closer than 100 feet from the outer boundary of the SW/4 NE/4 of Section 35.

(3) The horizontal or producing portion of the wellbore shall be located no closer than 100 feet from the outer boundary of the SW/4 NE/4 of Section 35.