



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

CW/Donna/
Paul.

July 7, 1997

UMC Petroleum Corporation
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87501

Administrative Order DD-180(H)
High Angle/Horizontal

Dear Mr. Bruce:

Reference is made to your application dated June 16, 1997 on behalf of the operator, UMC Petroleum Corporation ("UMC"), for authorization to recomplete the Townsend State Well No. 1 (API No. 30-025-33713) by side tracking off of the vertical wellbore and penetrate the Undesignated South Big Dog-Strawn Pool with a horizontal drainhole within an 80-acre area comprising Lot 16 and the NE/4 SE/4 of irregular Section 2, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico.

The Division Director Finds That:

- (1) The subject application has been duly filed under the provisions of Rule 111.D and E of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11,274 on June 13, 1995;
- (2) The Townsend State Well No. 1, located at a standard oil well location 3526 feet from the South line and 727 feet from the East line (Lot 16/Unit P) of said Section 2, which was the subject of Division Case 11714, was drilled to total depth on March 6, 1997, the Strawn interval was subsequently completed, and a non-standard 80-acre oil spacing and proration unit comprising Lot 16 and the NE/4 SE/4 of said Section 2 (approved by Division Order No. R-10803, dated May 22, 1997) was dedicated to said well;
- (3) The Townsend State Well No. 1 and subject 80-acre tract are within one mile of the current boundary of the South Big Dog-Strawn Pool, and is therefore subject