



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

FOR RECORD ONLY

*CW*  
*Donna*  
*Paul. PVE*

July 15, 1997

**Rand Paulson Oil Company, Inc.**  
**4950 N. O'Connor Blvd.**  
**Suite 270**  
**Irving, Texas 75062**  
**Attention: David Brooks**

*Administrative Order DD-188*

Dear Mr. Brooks:

Reference is made to your application dated June 11, 1997 for authorization to complete its A. J. "6" Well No. 1 (API No. 30-025-33763) by side tracking off of the vertical portion of the wellbore and directionally drill to a pre-determined bottomhole gas well location in order to further test the Atoka formation underlying the S/2 equivalent of irregular Section 6, 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 A. J. "6" Well No. 1 was drilled earlier this year to a total depth ("TD") of 13,170 feet; a production string of 5-1/2 inch casing was set to TD; however the well tested non-commercial in three separate sets of perforations all within the Pennsylvanian interval;
- (3) The proposed horizontal extension into the Atoka formation is an economical attempt to test for gas production elsewhere within a standard 317.08-acre gas spacing and proration unit that comprises Lots 17 and 18, the E/2 SW/4, and the SE/4 (S/2 equivalent) of said irregular Section 6;
- (4) Any Atoka gas production encountered in this well would be considered "wildcat" production and would therefore be subject to the statewide rules and regulations for gas wells to all horizons of Wolfcamp age or older, as promulgated by Rule