

104.B(1)(a), which provides for 320-acre gas spacing and proration units, or drilling units, and requires that wells be located no closer than 660 feet to the nearest side boundary of the designated tract nor closer than 1650 feet to the nearest end boundary, nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary thereon;

- (5) The applicant/operator proposes to complete the subject wellbore by milling a window in the 5-1/2 inch production casing, kick-off in a south-southeasterly direction at an approximate depth of 12,380 feet, build angle at a rate of 35.8 degrees per 100 feet until a deviation of 90 degrees is obtained, and continue to drill horizontally in the Atoka formation a lateral distance of 250 feet;
- (6) The applicable drilling window or "producing area" for said wellbore should include that area within the NW/4 SE/4 (Unit R) of said irregular Section 6 that is no closer than 660 feet to the quarter section line to the north, nor closer than 330 feet from any of the three quarter-quarter section lines to the east, south and west; and,
- (7) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said Rule 111.D and E, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of Division General Rule 111.

IT IS THEREFORE ORDERED THAT:

(1) The operator, Rand Paulson Oil Company, Inc., is hereby authorized to complete its A. J. "6" Well No. 1 (API No. 30-025-33763), located at a standard surface gas well location 1980 feet from the South and East lines (Unit R) of irregular Section 6, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico, by milling out a window in the 5-1/2 inch production casing string and kicking-off at a depth of 12,380 feet in a south-southeasterly direction, building angle at a rate of 35.8 degrees per 100 feet until a deviation of 90 degrees is obtained, and continue drilling horizontally in the Atoka formation a lateral distance of 250 feet.

PROVIDED HOWEVER THAT prior to commencing directional drilling operations in said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED FURTHER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and