

32528) located at a standard oil well location 1650 feet from the South line and 2135 feet from the West line (Unit K) of said Section 14;

- (9) The NE/4 SW/4, S/2 SW/4, and W/2 SE/4 of said Section 14 is a single Federal lease (U. S. Government lease No. NM-77058) in which Burlington is the operator;
- (10) The affected 40-acre tract immediately offsetting the subject 120-acre project area is the NW/4 SW/4 (Unit L) of said Section 14, is assigned to Exxon Company U.S.A. Inc. ("Exxon");
- (11) The subject drainhole at its closest point comes within approximately 97 feet of Exxon's acreage;
- (12) Exxon received the required notice of this application, pursuant to Division General Rule 104.F(3) and did not object Burlington's unorthodox location for the subject drainhole; and,
- (13) It appearing the applicant has satisfied all of the appropriate requirements prescribed in Rules 111.C(2) and 104.F, the subject application should be approved and the subject horizontal drainhole and 120-acre project area 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) Burlington Resources Oil and Gas Company ("Burlington") is hereby authorized to operate a horizontal/high angle directional drilling project area [as defined by Division General Rule 111.A(3) and 111.C(3)] within the 120 acres that comprises the NE/4 SW/4 and S/2 SW/4 of Section 14, Township 22 South, Range 32 East, NMPM, West Red Tank-Delaware Pool, Lea County, New Mexico, in which the following three wells are to be dedicated:

- (A) Red Tank Federal Well No. 1 (API No. 30-025-32469) located at a standard oil well location 330 feet from the South line and 1980 feet from the West line (Unit N) of said Section 14;
- (B) Red Tank Federal Well No. 3 (API No. 30-025-32507), located on the surface at a standard oil well location 330 feet from the South line and 990 feet