

(15) Gruy Petroleum Management Company and Harvey E. Yates Company both voiced concern at the hearing over the proposed 4000:1 gas-oil ratio limitation; however, neither party presented any geologic or engineering evidence.

(16) No other offset operator or interest owner appeared at the hearing in opposition to the application.

(17) The engineering evidence currently available demonstrates that approval of Mewbourne's request for 160-acre spacing, a limiting GOR of 4000:1, and a special depth bracket allowable of 1,120 barrels of oil per day for the Shugart-Strawn Pool will not result in the excessive waste of reservoir energy, will not reduce the ultimate recovery of oil from this Strawn reservoir, and will not violate correlative rights.

(18) The special pool rules for the Shugart-Strawn Pool established by this order should remain in effect for a temporary period of eighteen months in order to allow the operators in the pool the opportunity to obtain additional engineering data to support the permanent adoption of these rules.

(19) This case should be reopened at an examiner hearing in March, 2004, at which time the operators in the Shugart-Strawn Pool should appear to show cause why the temporary special pool rules established by this order should not be rescinded.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the application of Mewbourne Oil Company, a new pool for the production of oil from the Strawn formation is hereby created and designated the Shugart-Strawn Pool, with vertical limits comprising the Strawn formation and horizontal limits comprising the NE/4 of Section 8, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

(2) "*Temporary Special Pool Rules for the Shugart-Strawn Pool*" are hereby established as follows:

TEMPORARY SPECIAL POOL RULES
FOR THE
SHUGART-STRAWN POOL

RULE 1. Each well completed in or recompleted in the Shugart-Strawn Pool, or in the Strawn formation within one mile thereof and not nearer to or within the limits of another designated Strawn pool, shall be spaced, drilled, operated, and produced in accordance with the special rules hereinafter set forth.