

- (b) a gas-oil ratio ("GOR") limitation of 4,000 cubic feet of gas per barrel of oil; and
- (c) a special depth bracket allowable of 1,120 barrels of oil per day.

(4) Gruy Petroleum Management Company, Harvey E. Yates Company, Oxy USA WTP L.P., and Oxy USA, Inc. appeared at the hearing through legal counsel.

(5) Division records show that the proposed Strawn pool is located approximately 2.5 miles east-southeast of the Cedar Lake-Strawn Pool, which comprises all of Section 2, Township 18 South, Range 30 East, NMPM; approximately 2.5 miles southeast of the North Cedar Lake-Strawn Pool, which comprises the S/2 of Section 25 and the E/2 of Section 26, Township 17 South, Range 30 East, NMPM; and approximately 3 miles southeast of the Cedar Lake Reef-Strawn Pool, which comprise the NW/4 of Section 25, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

(6) The Cedar Lake-Strawn, North Cedar Lake-Strawn and Cedar Lake Reef-Strawn Pools are currently classified as oil pools. The rules governing each of these pools are summarized as follows:

<u>Pool</u>	<u>Spacing</u>	<u>Well Setback</u>	<u>GOR Limitation</u>
Cedar Lake-Strawn	160 acres	660'-Outer Boundary 330'-Interior Boundaries	4,000:1
North Cedar Lake-Strawn	40 acres	330'-Outer Boundary	2,000:1
Cedar Lake Reef-Strawn	160 acres	660'-Outer Boundary 330'-Interior Boundaries	4,000:1

(7) In June/July, 2001, Mewbourne drilled its Fren "8" Federal Com Well No. 2 (API No. 30-015-31794) at a standard gas well location 1170 feet from the North line and 750 feet from the East line (Unit A) of Section 8, Township 18 South, Range 31 East, NMPM, to test the North Shugart-Morrow Gas Pool. The well was drilled to a total depth of 11,935 feet and was completed in the Morrow formation through perforations from 11,686 feet to 11,846 feet. In September, 2002 the Morrow interval was abandoned and the well was plugged back and completed in the Strawn formation through the perforated interval from 10,692 feet to 10,884 feet.