

(c) will establish the most appropriately sized spacing units for the pool.

(10) In accordance with Division Rule 509, the discovery oil allowable for the OXY Engelbert Well No. 1 should be 35,790 barrels to be produced in addition to the assigned depth bracket allowable for this unit during the applicable 730-day period (49 BOPD).

(11) OXY presented testimony indicating that the S/2 of Section 15 is included in a single fee lease with common ownership in which OXY is the leasehold operator.

(12) Oxy provided notice in accordance with Division rules 1207.A (4), and no party appeared in opposition to the granting of this application.

(13) Approval of this application will not cause the waste of reservoir energy, reduce ultimate recovery or impair correlative rights.

(14) At the time of the hearing OXY requested that these special rules be made effective retroactive to the date of first production from the discovery well, which was August 23, 2001.

(15) The applicant proposed as a pool-name designation for the above-described pool the "*West Atoka-Upper Pennsylvanian Pool*." However, there currently exists a "*West Atoka-Upper Pennsylvanian Gas Pool*." Such exact pool name duplication is confusing and can lead to the overlapping of pools. Therefore, in keeping with the Division's long-standing practice of referencing nearby geographical place names and/or utilizing existing names of pools in other formations within the immediate area of a new pool, this pool should be designated the East Penasco Draw-Upper Pennsylvanian Pool.

(16) Further the special pool rules for this newly designated pool should be established for a temporary 18-month period in order to allow the operator(s) in the pool time to gather sufficient reservoir information to determine whether 160-acre spacing is appropriate development for this pool.

(17) This case should therefore be reopened at an examiner hearing in September, 2003, at which time the operator(s) in the pool should be prepared to appear and show cause why the temporary special pool rules for the East Penasco Draw-Upper Pennsylvanian Pool should not be rescinded.