

(12) The applicant notified all operators and interest owners within the area affected by this application. No operator or interest owner appeared at the hearing in opposition to the application.

(13) Approval of the application is in the best interest of conservation, prevention of waste and protection of correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Marbob to amend the “*Special Rules and Regulations for the Lusk-Morrow Gas Pool*,” currently comprising Sections 13, 24, and 25, Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico and Sections 9, 10, 15, 16, 18, 19, 20, 21, 27, 28, 29, 30, and 32, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico, is hereby approved.

(2) Rule 3 of the “*Special Rules and Regulations for the Lusk-Morrow Gas Pool*,” is hereby amended to read in its entirety as follows:

RULE 3 (a): The initial well within a gas spacing and proration unit shall be located no closer than 660 feet to the outer boundary of the quarter section on which the well is located and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary. Each infill well within an existing gas spacing and proration unit shall be located in a quarter section that does not contain a producing Morrow gas well and shall be located with respect to the assigned unit boundaries as described above.

RULE 3 (b): The Division Director may grant an exception to the footage requirements for a Morrow gas well of Rule 3 (a) above without hearing when an application has been duly filed under the provisions of Division Rule 104.F.

RULE 3 (c): No more than one Morrow gas well shall be located within a single governmental quarter section. Any deviation from this well density requirement shall be authorized only after hearing.

RULE 3 (d): The land plat (NMOCD Form C-102) accompanying the “*Application for Permit to Drill*”