

Case No. 9720
Order No. R-8928-A
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(3) Applicant has drilled the previously approved unorthodox bottomhole location and has been unable to obtain commercial production.

(4) The surface location of the subject well is approximately 1.25 miles from the boundary of the Indian Basin-Upper Pennsylvanian Gas Pool and 2.25 miles from the boundary of the Indian Basin-Morrow Gas Pool.

(5) Applicant now seeks to amend Division Order No. R-8928 to allow the Shafer Federal Com Well No. 1 to be plugged back to the vertical portion of the wellbore, kicking off at a depth of approximately 3900 feet in an east-southeasterly direction, and directionally drilling to a new unorthodox bottomhole location to a depth sufficient to test the Morrow formation at a true vertical depth of approximately 7780 feet within 200 feet of a point 900 feet from the South line and 2500 feet from the East line (Unit C) of said Section 35.

(6) The applicant presented new geologic evidence and testimony which indicates that a well located at the proposed amended unorthodox bottomhole location will encounter the Pennsylvanian formation at a more structurally advantageous position above the gas-water contact than a well drilled at a standard location for the previously approved unorthodox bottomhole location thereon, thereby increasing the likelihood of obtaining commercial production.

(7) The applicant further requests that this well be properly classified as a wildcat well in the Pennsylvanian formation and subject to the Statewide General Rules for such a test. The subject well is to be dedicated to Lots 1 through 6 and the W/2 SW/4 of said Section 35 forming a non-standard 334.47-acre gas spacing and proration unit.

(8) If at such time as it is determined that any production from the new deviated hole is indeed part of an existing pool or pools, and should an extension to such pool be made to include this well, then the operator should comply with any special rules and regulations thereafter.

(9) The interest ownership in said Section 35 and Section 34 (the affected acreage to the west) is common.