

Requests to produce the wells alternately (one well shut-in while the other produces) may be submitted for administrative handling. The request should set out the length of producing and shut-in cycles for each well (a one month minimum is suggested), the proposed method for ensuring compliance with the proposed producing and shut-in schedules and reasons for the request."

(7) Yates Petroleum Corporation, a twenty-five percent working interest owner in the aforementioned Superior Federal Well No. 9 and offset operator to the southwest in the S/2 of adjacent Section 2, appeared at the hearing and presented testimony in opposition to Presidio's request for a second well on the existing East Burton Flat-Strawn gas spacing and proration unit comprising the N/2 equivalent of said Section 1.

(8) The applicant, by testimony, demonstrated that the entire N/2 equivalent of said Section 1 may reasonably be presumed productive of gas from said Strawn gas pool. Further, the geological evidence presented by the applicant indicates that a well drilled at the proposed unorthodox gas well location would encounter additional "porosity stringers" not present in the No. 9 well, which would indicate the entire productive Strawn interval underlying the N/2 equivalent of Section 1 is not being adequately drained by the Superior Federal Well No. 9 in the NE/4 equivalent of said Section 1 continuously and concurrently.

(9) Yates Petroleum Corporation's objection in this matter was focused on the simultaneous dedication issue and not the location variance of the proposed Superior Federal Well No. 10.

(10) In the best interest of conservation and to allow Presidio to recover its just and fair share of the gas it's entitled to in the East Burton Flat-Strawn Gas Pool underlying the N/2 equivalent of said Section 1, the applicant should be allowed to drill its Superior Federal Well No. 10 at the proposed unorthodox gas well location in Unit D. Subsequent to the completion of the No. 10 well, the operator should be allowed to produce Strawn gas from both wells only on an alternating basis (one well shut-in while the other produces); at no time should both wells be allowed to produce East Burton Flat-Strawn Gas Pool production continuously and concurrently from both aforementioned wells.

(11) Such production/shut-in cycle period for both wells may be established by the Division Director after administrative request by the applicant; however, such period should not be for less than one month.