

- (g) Drilling as close to commercial production as possible reduces dry holes risk and is the main reason for Mewbourne's request for a well location 660 feet from the South line of Section 1.
- (h) The gas in place figures for Sections 1 and 12 are calculated as follows:

	<u>Section 1</u>	<u>Section 12</u>	<u>Total</u>
1/15/96	1.80 BCF	3.95 BCF	5.75 BCF
10/1/97	1.11 BCF	2.44 BCF	3.55 BCF

- (i) Drainage is non-radial, along the trend of the Morrow reservoir. The Texaco Levers Well No. 2 is not draining from the south or southwest because of clapping wells located in those directions. The Levers Well No. 2 is not draining reserves northward of Section 12 because dry holes control limits the Middle Morrow productive limits in that direction.
- (12) Fasken presented geologic and engineering evidence which showed that:
- (a) 3-D seismic data shows a major north/south Morrow cutting fault which separates the Fasken location and Texaco wells on the west side of this fault from the Mewbourne location on the east side of this fault. Mewbourne's location is on the down thrown side of this fault.
- (b) No Morrow sands will communicate or drain across this fault.
- (c) The Mewbourne location is at a structural disadvantage in the Morrow because both the Upper and Lower Morrow sands become wet in lower structural positions.
- (d) Lower Morrow channel sands trend north northwest to south southwest, have a very good permeability, drain long distances, and become wet down dip.
- (e) Middle Morrow marine influenced sands trend north northwest to south southwest, range from very good to very poor permeability, do not correlate in a north-south direction and did not drain effectively in a north-south direction one half mile distance between the Texaco's Levers #1 and #2 wells in Section 12.