

- (e) the proposed unorthodox gas well location is necessary in order to encounter the “Singer” sand in the area of greatest sand thickness within the SW/4 of Section 7; and
  - (f) due to the limited extent of the “Singer” sand within the N/2 of Section 7, this area should not contribute production to the Davis “7” Well No. 1.
- (7) The applicant presented engineering evidence and testimony indicating that:
- (a) the McMillan-Morrow Gas Pool has previously been tested in Section 7 by the (i) Harvey E. Yates Company Hondo Singer “A” Well No. 1 located in Unit P; and (ii) Harvey E. Yates Company Singer Davis Well No. 1 located in Unit K;
  - (b) the Singer “A” Well No. 1 was completed in the Morrow formation in 1965 and IP’d at a rate of approximately 306 MCFGD. The well cumulatively produced 34 MMCFG from the McMillan-Morrow Gas Pool prior to being plugged and abandoned;
  - (c) the Singer Davis Well No. 1 was completed in the Morrow formation in 1976 and IP’d at a rate of approximately 2.9 MMCFGD. The well cumulatively produced 127 MMCFG from the McMillan-Morrow Gas Pool prior to being plugged and abandoned;
  - (d) the drainage areas for wells within the McMillan-Morrow Gas Pool varies considerably and is generally less than 220 acres; and
  - (e) there are currently only two wells producing from the McMillan-Morrow Gas Pool, the Atasca Resources Inc. State “19” Com Well No. 1, located in Unit F of Section 19, Township 20 South, Range 27 East, and the Yates Drilling Company Pecos River Deep Unit Well No. 3, located in Unit H of Section 13, Township 20 South, Range 26 East.