

(4) The McMillan-Morrow Gas Pool currently comprises the following described area:

TOWNSHIP 20 SOUTH, RANGE 26 EAST, NMPM

Section 13: All
Section 24: All
Section 23: SE/4
Section 26: N/2

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM

Section 7: All
Section 18: All
Section 19: All

(5) By Order No. R-5829 issued in Case No. 6337 on October 6, 1978, the Division, upon application of Mark D. Wilson, limited the area subject to the "*Special Rules and Regulations for the McMillan-Morrow Gas Pool*" to a five-section area comprising Sections 13 and 24, Township 20 South, Range 26 East, and Sections 7, 18 and 19, Township 20 South, Range 27 East.

(6) By Order No R-11308 issued in Case No.12309 on December 16, 1999, the Division, upon application of Pogo Producing Company ("Pogo"), approved an exception to the well location and spacing requirements provided within the "*Special Rules and Regulations for the McMillan-Morrow Gas Pool*" for (i) the formation of a non-standard 318.82-acre gas spacing and proration unit comprising Lots 3 and 4, the E/2 SW/4 and the SE/4 (S/2 equivalent) of Section 7, Township 20 South, Range 27 East, NMPM, Eddy County, New Mexico, and (ii) the dedication of this unit to its Davis "7" Well No. 1 to be drilled at an unorthodox gas well location 660 feet from the South and West lines (Lot 4/Unit M) of Section 7.

(7) The applicant presented geologic evidence indicating that:

- (a) the primary target within the proposed Turner Federal "7" Deep Well No. 1 is the middle Morrow sand, which is the same sand that was encountered in Pogo's Davis "7" Well No. 1;
- (b) the proposed Turner Federal "7" Deep Well No. 1 needs to encounter approximately 30 feet of gross