

(5) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(6) That no offset operator objected to the proposed unorthodox location.

(7) That the evidence in this case indicates that the proposed well at the requested unorthodox location may recover some 200 million cubic feet of gas from the Morrow formation which cannot be produced by the existing well on the proration unit.

(8) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Phillips Petroleum Company for an unorthodox gas well location for the Atoka and Morrow formations is hereby approved for a well to be located at a point 660 feet from the North line and 660 feet from the West line of Section 2, Township 24 South, Range 28 East, NMPM, Malaga Field, Eddy County, New Mexico, as an infill well on an existing 320-acre proration unit being the W/2 of said Section 2. The authorization for infill drilling in the Morrow formation granted by this order is necessary to permit the drainage of a portion of the reservoir covered by the existing 320-acre proration unit which cannot efficiently and economically be drained by any existing well thereon.

(2) That the W/2 of said Section 2 shall be dedicated to the above-described well in each of the subject formations.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.