

- (b) the entire NW/4 of Section 27 should be productive from this Upper-Wolfcamp interval; and
  - (c) the Weems Well No. 1 appears to have penetrated this Upper-Wolfcamp interval in the area of greatest carbonate thickness.
- (9) The applicant's engineering evidence demonstrates that:
  - (a) the Weems Well No. 1 is currently producing at a rate of approximately 50 BOPD and 80 MCFGPD. The well should ultimately recover approximately 39 MBO and 117 MMCFG;
  - (b) the Weems Well No. 1 should ultimately drain an area of approximately 118 acres;
  - (c) due to its location, the Weems Well No. 1 should drain Upper-Wolfcamp oil and gas reserves from all four quarter-quarter sections within the NW/4 of Section 27; and
  - (d) due to projected low recoveries, it is uneconomic to drill additional wells to recover Upper-Wolfcamp oil and gas reserves within the NW/4 of Section 27.
- (10) The Grandi Group expressed some concern over the proposed 160-acre spacing; however, it did not present any evidence to contest Santa Fe's application.
- (11) No other offset operator and/or interest owner appeared at the hearing in opposition to the application.
- (12) The evidence presented demonstrates that the Weems Well No. 1 has discovered a new common source of supply in the Wolfcamp formation.
- (13) A new pool for the production of oil from the Wolfcamp formation should be created and designated the North Cass Draw-Wolfcamp Pool with vertical limits comprising the Wolfcamp formation and horizontal limits comprising the NW/4 of Section 27, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico.