

indicates that the existing location for this well is situated at a more favorable geologic position within the Morrow formation than a new well drilled at a location considered to be standard.

(6) No offsetting operator and/or interest owner appeared at the hearing in opposition to this application.

(7) Approval of this application should serve to increase the likelihood of obtaining commercial gas production from the Morrow formation within the W/2 of Section 14, will afford the applicant the opportunity to produce its just and equitable share of the gas in the Townsend-Morrow Gas Pool, provide an economical means to test the lower Mississippian formation for commercial gas production, 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 otherwise prevent waste.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, David H. Arrington Oil & Gas, Inc., is hereby authorized to deepen its existing Mayfly "14" State Well No. 4 (API No. 30-025-34865), located at an unorthodox gas well location 1650 feet from the North line and 371 feet from the West line (Unit E) of Section 14, Township 16 South, Range 35 East, NMPM Lea County, New Mexico, to an approximate depth of 12,100 feet in order to test both the Townsend-Morrow Gas Pool and deeper Undesignated Townsend-Mississippian Gas Pool.


(2) The W/2 of Section 14 is to be dedicated to this well in order to form a standard 320-acre stand-up gas spacing and proration unit for both pools.

(3) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERG
Director