

(16) Until additional evidence is obtained, the Cisco reservoir being produced in the George "QJ" Federal No. 10 should be treated as a separate common source of supply from the Cisco reservoir being produced in the Hewitt "IM" Federal No. 5 and the Cottonwood Ranch "MK" State No. 1.

(17) The Artesia District Office of the Division should be directed to contract the horizontal limits of the Cottonwood Ranch-Pennsylvanian Gas Pool by deleting the W/2 and SE/4 of Section 26, Township 6 South, Range 25 East, NMPM.

(18) A new pool for the production of oil from the Cisco formation should be created and designated the Pecos Slope-Pennsylvanian Pool with horizontal limits comprising the W/2 of Section 26, Township 6 South, Range 25 East, NMPM.

(19) The preliminary evidence currently available for the Pecos Slope-Pennsylvanian Pool demonstrates that special pool rules should be established that provide for 320-acre oil spacing and proration units, designated well location requirements, a special infill well provision, and a special depth bracket allowable of 694 barrels of oil per day.

(20) No other interest owner or operator appeared at the hearing in opposition to the application.

(21) Approval of the application will promote orderly and efficient development of the Pecos Slope-Pennsylvanian Pool, and will not violate correlative rights.

(22) Yates proposed that the special pool rules for the Pecos Slope-Pennsylvanian Pool be established for a temporary period of two years in order to allow the operators in the pool the opportunity to gather additional geologic and engineering data.

(23) The evidence presented demonstrates that it may ultimately be determined that the Pecos Slope-Pennsylvanian Pool and the Cottonwood Ranch-Pennsylvanian Gas Pool are a single common source of supply, and that additional timely data is necessary in order to ascertain the best method by which to develop the Pennsylvanian formation in this area.

(24) The evidence also shows that Yates is making rapid advances in terms of drilling and testing additional wells and obtaining additional reservoir data.