

in the deeper Devonian formation, and Division Order No. R-10910, dated October 31, 1997, which in part created the Southwest Tatum-Devonian Pool and named this well as the discovery well].

(3) Saba now seeks the creation of a new pool for the production of oil from the Canyon and Cisco formations (Upper Pennsylvanian) to comprise the following described area in Lea County, New Mexico:

**TOWNSHIP 13 SOUTH, RANGE 36 EAST, NMPM**

Section 7: E/2 NE/4 and E/2 SE/4

(4) The applicant also seeks the adoption of special pool rules for this pool including provisions for 80-acre spacing and well location requirements whereby wells could be located no closer than 330 feet to any quarter-quarter section line or subdivision inner boundary.

(5) The preliminary engineering and geological evidence presented by the applicant indicates that each of the wells is capable of draining an area in excess of 40 acres in the Upper Pennsylvanian pay zones.

(6) The proposed 330 foot set-back requirement is a departure from the established set-back requirement for oil pools with 80-acre spacing, which restricts well locations to an area within a 150 foot radius of the center of either a quarter-quarter section or a lot in a unit.

(7) The 330 foot set-back requirement would give operators in the pool greater flexibility in locating wells within spacing units at geologically and/or topographically acceptable locations.

(8) No other operator and/or mineral interest owner appeared at the hearing in opposition to this application.

(9) In order to (i) ensure orderly development of the proposed pool, (ii) prevent the economic loss and avoid the risk caused by the drilling of unnecessary wells, and (iii) to otherwise prevent waste and protect correlative rights, temporary special rules providing for 80-acre spacing units and well location restrictions should be adopted for this pool.

(10) The applicant did not propose a name for this pool. In keeping with the Division's long-standing policy of referencing nearby geographical place names and/or