

(5) The well cumulatively produced approximately 29,000 barrels of oil from the Morton-Wolfcamp Pool prior to being temporarily abandoned in July, 1991.

(6) The applicant has recently recompleted the Glenn Cleveland Well No. 1 to the Morrow formation. As of the date of the hearing applicant estimates that the Morrow should be capable of producing at a rate of approximately 300 MCF gas per day.

(7) According to Division nomenclature records, the Glenn Cleveland Well No. 1 is located approximately 1.75 miles northeast of the Morton-Morrow Gas Pool. At the time of the hearing the applicant requested that the subject well be placed within this pool.

(8) The Morton-Morrow Gas Pool is currently governed by Statewide Rules and Regulations which require standard 320-acre spacing and proration units with wells to be located no closer than 1980 feet from the end boundary nor closer than 660 feet from the side boundary nor closer than 330 feet from any quarter-quarter section line or subdivision inner boundary.

(9) Applicant testified that due to the discontinuous nature of the Morrow formation in this area, it is unlikely that Morrow production offsetting the proposed spacing unit will be encountered.

(10) The affected offset leasehold owners in the N/2 of Section 18, Township 15 South, Range 35 East, NMPM, are Chevron USA Inc., Yates Petroleum Corporation and Texaco Exploration & Production Inc.

(11) The affected offset operator in the W/2 of Section 7 is J. M. Huber Corporation.

(12) No offset operator and/or interest owner appeared at the hearing in opposition to the application.

(13) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Morrow formation underlying the E/2 of Section 7, 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.

(14) The applicant should consult with the Division's District Geologist in Hobbs in order to determine the proper pool placement of the Glenn Cleveland Well No. 1 with respect to the Morrow formation.