

<u>POOL NAME</u>	<u>SPACING REQUIREMENTS</u>
West Lovington-Strawn	80 acres
Diamond-Strawn	80 acres
Northeast Lovington-Pennsylvanian	80 acres
Casey-Strawn	80 acres
West Casey-Strawn	80 acres
Lovington-Pennsylvanian	40 acres
Dean Permo-Pennsylvanian	80 acres
North Shoe Bar-Wolfcamp	160 acres
South Shoe Bar-Wolfcamp	40 acres
Lovington-Wolfcamp	40 acres
Northeast Lovington-Wolfcamp	40 acres

(10) The applicant proposes to create new pools and establish pool rules for the Strawn and Wolfcamp formations based upon analogy to established pools in this area.

(11) The applicant presented no geologic evidence to show that:

- a) the "SV" Chipshot Well No. 1 has discovered a separate common source of supply in either the Strawn or Wolfcamp formations;
- b) the geologic properties of the Strawn formation encountered in the "SV" Chipshot Well No. 1, (i.e. porosity, permeability) are similar to various other Strawn reservoirs in this area which are spaced on 80-acres; and,
- c) the geologic properties of the Wolfcamp formation encountered in the "SV" Chipshot Well No. 1, (i.e. porosity, permeability) are significantly different from other various Wolfcamp reservoirs in this area which are spaced on 40 acres;

(12) The applicant presented no engineering evidence with regards to:

- a) bottomhole pressure data in the Strawn and Wolfcamp formations within the "SV" Chipshot Well No. 1, and in various other Strawn and Wolfcamp reservoirs in this area;
- b) preliminary production data for either the Strawn or Wolfcamp formations within the subject well;