

- (4) The subject location is considered to be unorthodox in all intervals from the top of the Wolfcamp formation to the base of the Morrow formation;
- (5) The application further states that the S/2 of said Section 9 is to be dedicated to said well in order to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, however the application failed to indicate the orientation or amount of acreage to be dedicated to the well if Wolfcamp oil production is encountered;
- (6) The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location into the Morrow formation will be at a more favorable geologic position within the Morrow formation than a well drilled at a location considered to be standard;
- (7) The subject application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996;
- (8) The subject application, which serves to prevent waste and being in the best interest of conservation, should be approved only for the vertical extent from the base of the Wolfcamp formation to the base of the Morrow formation at this time; and,
- (9) Subsequent to the issuance of this order, should the Wolfcamp interval be tested as productive, the operator should consult with the supervisor the Division's District Supervisor in Hobbs as to the proper pool placement of said production and an amended application pursuant to Division General Rules 104.F(3) and (4) may be submitted for the Wolfcamp interval.

The Division Director Finds That:

(1) H. L. Brown, Jr. is hereby authorized to drill its proposed North Feather State Unit Well No. 2 at an unorthodox gas well location 1340 feet from the South line and 990 feet from the East line (Unit I) of Section 9, Township 15 South, Range 32 East, NMPM, Lea County, New Mexico, in order to test the Pennsylvanian System, which includes the Cisco, Canyon, Strawn, and Atoka formations and the Undesignated North Feather-Morrow Gas Pool, for gas production.

(2) The S/2 of said Section 9 is to be dedicated to said well to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing.