

(4) Currently this Atoka oil production is classified as "wildcat" production and is governed by the Division's statewide rules [Rule 104.B (1)] with development on standard 40-acre spacing and proration units, each having a top unit depth bracket allowable of 365 barrels of oil per day and a limiting gas/oil ratio of 2,000 cubic feet of gas per barrel of oil, which results in a casinghead gas allowable of 730 MCF per day (Rule 505).

(5) Yates presented testimony, which indicates that the S/2 of Section 29 is included in a single fee lease in which Yates is the leasehold operator.

(6) The preliminary engineering and geological evidence presented by the applicant indicates that the Atoka pay zone encountered in this well is capable of draining an area in excess of 40 acres.

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

(8) This 330-foot setback requirement would serve to maximize flexibility in locating wells within spacing units at locations that are geological and/or topographically acceptable.

(9) Devon Energy Production Company, L.P. entered its appearance at the hearing through legal counsel; however, no other operator and/or mineral interest owner appeared at the hearing in opposition to this application.

(10) In order to: (i) assure orderly development of the proposed pool, (ii) prevent the economic loss caused by the drilling of unnecessary wells, (iii) avoid the augmentation of risk arising from the drilling of an excessive number of wells, (iv) prevent reduced recovery that might result from the drilling of too few wells, and (v) prevent waste and protect correlative rights, temporary special rules and regulations providing for 80-acre spacing units along with the proposed well location restrictions should be promulgated for the proposed pool.

(11) The applicant did not propose a pool-name designation for the above-described pool. In keeping the Division's long-standing policy of referencing nearby geographical place names and/or utilizing existing names of pools in other formations within the immediate area of a new pool, this pool should be designated the Big Dog-Atoka Pool.