

acre unit should also be dismissed.

(7) Pursuant to Division Rule 104.C (3), this location is standard for the proposed 160-acre gas unit but unorthodox for the proposed 40-acre oil unit [see Division Rule 104.B (1)]. The proposed unorthodox oil well location for this well as advertised and as set forth in Finding Paragraph No. (4) above differs somewhat from the actual tract and ultimate bottomhole location of the wellbore.

(8) The applicant is seeking approval of the unorthodox well location based on engineering and geological interpretation of the Wolfcamp formation of the immediate area, being the primary zone of interest, which indicates that a well drilled at or near the proposed unorthodox oil well location will be at a more favorable geologic position within the Wolfcamp than a well drilled at a location considered to be standard within the SE/4 NW/4 of Section 31, thereby increasing the likelihood of obtaining commercial production.

(9) The application for approval of the unorthodox oil well location for the 40-acre oil spacing and proration unit should be approved.

(10) The applicant is a working interest owner within the 160-acre and 40-acre units and therefore has the right to drill for and develop the minerals underlying these units.

(11) At this time, however, not all of the working interest owners in these units have agreed to pool their interests. After pooling, uncommitted working interest owners are referred to as "non-consenting working interest owners."

(12) No party affected by this application appeared at the hearing or objected to this application.

(13) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste, and afford to the owner of each interest in the units the opportunity to recover or receive without unnecessary expense its just and fair share of hydrocarbon production in any pool resulting from this order, this application should be approved by pooling all mineral interests, whatever they may be, within the 160.42 and 40-acre units.

(14) David H. Arrington Oil and Gas, Inc. should be designated the operator of the subject well and units.