

(6) Applicant's geologic evidence indicates the presence of a Strawn structure which encompasses approximately 120 acres comprising the W/2 NE/4 and the SE/4 NE/4 of Section 15.

(7) The subject Strawn structure contains, according to applicant's evidence, three "algal mound" buildups.

(8) The northern portion of this Strawn structure has been previously developed by the Harding Oil Company Shaw Well No. 1, located in Unit B, which cumulatively produced approximately 417,000 barrels of oil prior to being plugged and abandoned in 1985.

(9) The applicant's geologic evidence and testimony indicates that the proposed unorthodox oil well location is necessary in order to:

- a) maximize the distance from the aforesaid Shaw Well No. 1, which may have depleted the northern portion of this Strawn structure; and,
- b) penetrate the targeted "algal mound" in the area of maximum thickness and reservoir quality, thereby increasing the likelihood of obtaining commercial oil production.

(10) A well at the proposed unorthodox location should adequately drain and develop the proposed proration unit.

(11) The operator of the affected offset to the west is BTA Oil Producers. The affected offset acreage to the south is currently owned by approximately thirteen different interest owners, including Oxy USA Inc., being the majority interest owner.

(12) There is currently no Strawn production within the affected offset acreage.

(13) The applicant notified all affected offset operators and interest owners of its application, and no such offset operator and/or interest owner appeared at the hearing in opposition to the application.

(14) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the Humble City-Strawn Pool, 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.

