

Case No. 10864  
Order No. R-10024  
Page 3

Well Name and No.	Footage Location	Section	Unit	Dedicated 40-Acre Tract
Rhodes Yates Unit Well No. 19	1360' FSL - 50' FWL	27	L	NW/4 SW/4
Rhodes Yates Unit Well No. 20	1430' FSL - 10' FEL	21	I	NE/4 SE/4
Rhodes Yates Unit Well No. 21	130' FNL - 10' FWL	27	D	NW/4 NW/4
Rhodes Yates Unit Well No. 22	130' FNL - 1310' FWL	27	D	NW/4 NW/4
Rhodes Yates Unit Well No. 23	130' FNL - 2588' FWL	27	C	NE/4 NW/4

(7) The proposed W. H. Rhodes "B" NCT-1 Well No. 26, located 2310 feet from the North and East lines (Unit G) of Section 27 is considered a "standard location" pursuant to said statewide Rule 104.C(1). Therefore any request by the applicant for an unorthodox location for this particular well is deemed unnecessary and should be dismissed.

(8) In 1991, Texaco completed a reservoir study and development plan for these waterflood projects which demonstrated that the existing eighty-acre five spot waterflood patterns were approaching depletion and reserves would be wasted without infill drilling and injection pattern downspacing.

(9) In response to this study, all working interest owners in each of these waterflood projects have executed the "Rhodes Area Cooperative Lease Line Agreement", which was submitted at the hearing as applicant's Exhibit No. "5". Said agreement identifies each of the eight remaining "lease line" oil producing wells; provides that each well will be operated pursuant to this agreement and the Operating Agreement for the Rhodes Yates Unit, and provides for the allocation of well costs and production to be attributed to the appropriate waterflood project for each well.

(10) Currently Texaco is proceeding with the implementation of a three phase development plan in this area which provides for: (1) the conversion of existing producers to injection; and, (2) twenty-acre infill development drilling, including the drilling of the nine producers which are or were the subject of this application.

(11) The evidence presented by Texaco established that the drilling of the proposed wells at these locations will enable Texaco and the other working interest owners to establish an efficient production pattern within each of these secondary recovery projects.