

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1345
Order No. R-1097

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR A NON-STANDARD GAS
PRORATION UNIT AND AN UNORTHODOX GAS
WELL LOCATION IN THE BLANCO MESAVERDE
GAS POOL IN SAN JUAN COUNTY, NEW MEXICO.

Before the Oil Conservation Division
Case 13970-13971
Hearing August 23, 2007
XTO Energy, Inc.
Exhibit No. 2

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 20, 1957, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the New Mexico Oil Conservation Commission hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 18th day of December, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Pan American Petroleum Corporation, proposes the establishment of a 409-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the N/2 and the N/2 S/2 of Section 19, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico.

(3) That the owners of all leases in the proposed unit have verbally agreed to communitize their interests.

(4) That the applicant proposes to dedicate the above-described unit to its Snyder Gas Unit Well No. 1, located 1750 feet from the North line and 1750 feet from the East line of said Section 19.

(5) That approval of the subject application will not cause waste nor impair correlative rights.

(6) That the subject application should be approved contingent upon receipt by the Commission of proof of communitization of the above-described non-standard gas proration unit.

IT IS THEREFORE ORDERED:

(1) That a 409-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the N/2 and the N/2 S/2 of Section 19, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico, be and the same is hereby established.

(2) That the unorthodox gas well location of the Pan American Petroleum Corporation Snyder Gas Unit Well No. 1 at a point 1750 feet from the North line and 1750 feet from the East line of said Section 19 be and the same is hereby approved.

(3) That the said Snyder Gas Unit Well No. 1 be granted an acreage factor for allowable purposes in the Blanco Mesaverde Gas Pool in the proportion that the acreage in the above-described unit bears to the acreage in a standard gas proration unit for the Blanco Mesaverde Gas Pool, subject to the provisions of Rule 9 of the Special Rules and Regulations of the Blanco Mesaverde Gas Pool as set forth in Order R-128-D.

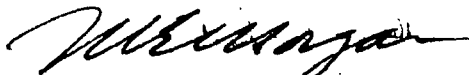
(4) That the provisions of Paragraphs 1, 2, and 3 above shall be contingent upon receipt by the Commission of proof of formal communitization of the above-described non-standard gas proration unit.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



A. L. PORTER, Jr., Member & Secretary

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