

Entered May 6, 1968
A.L.P.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 3002
Order No. R-2684-C

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR EXTENSION AND AMENDMENT
OF THE SPECIAL RULES AND REGULATIONS
FOR THE FOWLER-LOWER PADDOCK POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 1, 1968,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 6th day of May, 1968, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, 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 pursuant to the provisions of Order No. R-2684-B,
dated June 23, 1966, Case No. 3002 has been reopened to allow all
interested parties in the Fowler-Lower Paddock Pool, Lea County,
New Mexico, to appear and show cause whether the special pool
rules governing said pool, as they relate to well spacing, well
classification, and limiting gas-oil ratios, should remain in
effect.

(3) That the reservoir characteristics of the Fowler-Lower
Paddock Pool presently available justify the definition of a gas
well as a well producing with a gas-liquid ratio of 50,000 or
more cubic feet of gas per barrel of liquid hydrocarbons.

(4) That the reservoir characteristics of the subject pool
presently available justify the establishment of a gas-liquid
ratio limitation of 4000 cubic feet of gas per barrel of liquid
hydrocarbons.

-2-

CASE No. 3002

Order No. R-2684-C

(5) That the evidence establishes that the Fowler-Lower Paddock Pool has been and will be efficiently and economically drained and developed under the Special Rules and Regulations promulgated by Order No. R-2684-B.

(6) That the Special Rules and Regulations promulgated by Order No. R-2684-B have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil and gas in the pool.

(7) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-2684-B should be continued in full force and effect until further order of the Commission.

IT IS THEREFORE ORDERED:

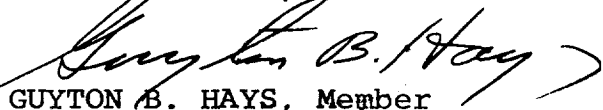
(1) That the Special Rules and Regulations governing the Fowler-Lower Paddock Pool, promulgated by Order No. R-2684-B, are hereby continued in full force and effect until further order of the Commission.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member



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

S E A L

esr/