

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. 1346  
Order No. R-1098

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. 3

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 18<sup>th</sup> 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 for a 408-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the S/2 S/2 of Section 19 and the N/2 of Section 30, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico.

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

(4) That the applicant proposes to dedicate the above-described unit to a well to be drilled to the Blanco Mesaverde Gas Pool at a point 990 feet from the North line and 1650 feet from the East line of said Section 30.

(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 408-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the S/2 S/2 of Section 19 and the N/2 of Section 30, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico, be and the same is hereby established.

(2) That the applicant, Pan American Petroleum Corporation be and the same is hereby authorized to drill a gas well in the Blanco Mesaverde Gas Pool on an unorthodox location at a point 990 feet from the North line and 1650 feet from the East line of said Section 30, said well to be assigned to the above-described non-standard gas proration unit.

(3) That the above-described well 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 for 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 hereinabove 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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