

SPECIAL RULES AND REGULATIONS
FOWLER LOWER PADDOCK POOL

RULE 1. Each well completed or recompleted in the Fowler-Lower Paddock Pool or in the Lower Paddock formation within one mile of said pool, and not nearer to or within the limits of another designated Lower Paddock pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth. ok

RULE 2. A gas well shall mean a well producing from within the vertical and horizontal limits of the Fowler Lower Paddock Pool which produces with a producing gas liquid ratio of 50,000 cubic feet of gas or more per barrel of liquid hydrocarbons.

RULE 3. A well producing from within the horizontal and vertical limits of the Fowler Lower Paddock Pool and not classified as a gas well shall be classified as an oil well in the Fowler Lower Paddock Pool.

RULE 4. Each gas well completed or recompleted in the Fowler-Lower Paddock Pool shall be located on a standard unit containing 320 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental section. 7

RULE 5. Each oil well completed or recompleted in the Fowler-Lower Paddock Pool shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental quarter section. 10

RULE 6. A standard oil proration unit (79 through 81 acres) in the Fowler-Lower Paddock Pool shall be assigned an 80-acre proportional factor of 2.33 for allowable purposes, and in the event there is more than one well on an 80 acre proration unit the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion. The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the Fowler-Lower Paddock Pool as the acreage in such non-standard unit bears to 80 acres.

RULE 7. Acreage dedicated to a gas well in the Fowler-Lower Paddock Pool shall not be simultaneously dedicated to an oil well in the Fowler-Lower Paddock Pool and the dual completion of a well so as to produce gas ~~from~~ ^{two different} ~~the Fowler-Lower Paddock Gas Pool~~ and oil from ~~the Fowler-Lower Paddock Oil Pool~~ is hereby prohibited. 11
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RULE 8. Gas liquid ratio tests shall be conducted annually during the month of May on all wells located in and producing from the Fowler-Lower Paddock Pool. 13

RULE 9. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey, or the following facts exist and the following provisions are complied with: +

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. <u>6</u>
CASE NO. <u>3002</u>

(a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.

(b) The non-standard unit lies wholly within a single governmental section and contains less acreage than a standard unit.

(c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.

(d) In lieu of Paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 10. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 11. Each well completed or recompleted in the Fowler-Lower Paddock Pool shall be located no nearer than 660 feet to the outer boundary of the quarter section and no nearer than 330 feet to any governmental quarter-quarter section line.

RULE 12. The Secretary-Director may grant an exception to the requirements of Rule 11 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the re-completion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

✓ RULE 13. The limiting gas-oil ratio for an oil well shall be 6,000 cubic feet of gas for each barrel of oil produced.

✓ RULE 14. The maximum allowable for a gas well shall be equal to four times the top allowable gas limit for an oil well.

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-A

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR THE CREATION OF A NEW
GAS POOL AND FOR SPECIAL POOL RULES,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 7, 1965, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 4th day of May, 1965, 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 by Order No. R-2684, dated March 31, 1964, temporary Special Rules and Regulations were promulgated for the Fowler-Lower Paddock Gas Pool, Lea County, New Mexico.

(3) That pursuant to the provisions of Order No. R-2684, this case was reopened to allow the operators in the subject pool to appear and show cause why the Fowler-Lower Paddock Gas Pool should not be developed on 160-acre spacing units.

(4) That no additional evidence was presented at this hearing.

(5) That Pan American Petroleum Corporation requested that the special rules and regulations be continued for an additional

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one-year period as there had been no development in the pool since the issuance of Order No. R-2684.

(6) That the temporary Special Rules and Regulations for the Fowler-Lower Paddock Gas Pool, promulgated by Order No. R-2684, should be continued in effect for an additional one-year period in order to allow the operators in the subject pool sufficient time to gather additional information concerning the reservoir characteristics of the pool.

(7) That this case should be reopened at an examiner hearing in April, 1966, and that 160-acre spacing units should be established for the Fowler-Lower Paddock Gas Pool if the operators in the pool do not present substantial evidence to justify continuation of the special rules and regulations for the pool.

IT IS THEREFORE ORDERED:

(1) That the temporary Special Rules and Regulations for the Fowler-Lower Paddock Gas Pool promulgated by Order No. R-2684 are hereby continued in full force and effect for an additional one-year period.

(2) That this case shall be reopened at an examiner hearing in April, 1966, and that 160-acre spacing units shall be established for the Fowler-Lower Paddock Gas Pool if the operators in the pool do not present substantial evidence to justify continuation of the special rules and regulations for the pool.

(3) 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

Jack M. Campbell
JACK M. CAMPBELL, Chairman

Guyton B. Hays
GUYTON B. HAYS, Member

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

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

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR THE CREATION OF A NEW
GAS POOL AND FOR SPECIAL POOL RULES,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 11, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 31st day of March, 1964, 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 the applicant, Pan American Petroleum Corporation, seeks the creation of a new gas pool for Lower Paddock production in Lea County, New Mexico, and the promulgation of temporary special rules and regulations governing said pool, including a provision for 320-acre spacing.

(3) That the Pan American SMU Well No. 16, located in Unit O of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, has discovered a separate common source of supply which should be designated the Fowler-Lower Paddock Gas Pool; that the vertical limits of said pool should be the zone encountered in said well between the top of the Lower Paddock formation at 5088 feet and the top of the Blinebry formation at 5230 feet; and that the horizontal limits of said pool should be all of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(4) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of

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Order No. R-2684

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, temporary special rules and regulations providing for 320-acre spacing units should be promulgated for the Fowler-Lower Paddock Gas Pool.

(5) That the temporary special rules and regulations should be established for a one-year period in order to allow the operators in the subject pool to gather reservoir information to establish the area that can be efficiently and economically drained and developed by one well.

(6) That this case should be reopened at an examiner hearing in April, 1965, at which time the operators in the subject pool should be prepared to appear and show cause why the Fowler-Lower Paddock Gas Pool should not be developed on 160-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as a gas pool for Lower Paddock production is hereby created and designated the Fowler-Lower Paddock Gas Pool, with vertical limits comprising the zone encountered in the Pan American SMU Well No. 16, located in Unit O of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, between the top of the Lower Paddock formation at 5088 feet and the top of the Blinebry Formation at 5230 feet, and horizontal limits comprising all of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That temporary Special Rules and Regulations for the Fowler-Lower Paddock Gas Pool are hereby promulgated as follows, effective April 1, 1964.

SPECIAL RULES AND REGULATIONS
FOR THE
FOWLER-LOWER PADDOCK GAS POOL

RULE 1. Each well completed or recompleted in the Fowler-Lower Paddock Gas Pool or in the Lower Paddock formation within one mile of said pool, and not nearer to or within the limits of another designated Lower Paddock pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Fowler-Paddock Gas Pool shall be located on a standard unit containing 320 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental section.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey, or the following facts exist and the following provisions are complied with:

- (a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.
- (b) The non-standard unit lies wholly within a single governmental section and contains less acreage than a standard unit.
- (c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.
- (d) In lieu of Paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well completed or recompleted in the Fowler-Lower Paddock Gas Pool shall be located no nearer than 660 feet to the outer boundary of the quarter section and no nearer than 330 feet to any governmental quarter-quarter section line.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

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Order No. N-2684

IT IS FURTHER ORDERED:

(1) That any operator desiring to dedicate 320 acres to a well presently drilling to or completed in the Fowler-Lower Paddock Gas Pool shall file a new Form C-128 with the Commission on or before May 1, 1964.

(2) That this case shall be reopened at an examiner hearing in April, 1965, at which time the operators in the subject pool should be prepared to appear and show cause why the Fowler-Lower Paddock Gas Pool should not be developed on 160-acre spacing units.

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

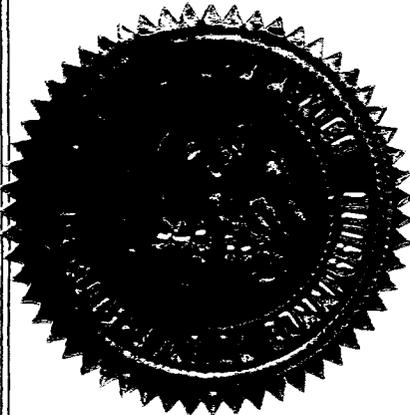
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

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



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-B

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 25, 1966, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 23rd day of June, 1966, 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 by Order No. R-2684, dated March 31, 1964, the Fowler-Lower Paddock Gas Pool was created and temporary Special Rules and Regulations were promulgated for the Fowler-Lower Paddock Gas Pool, Lea County, New Mexico.

(3) That by Order No. R-2684-A, dated May 4, 1965, said temporary Special Rules and Regulations were continued in full force and effect for an additional one-year period.

(4) That pursuant to the provisions of Order No. R-2684-A, this case was reopened April 27, 1966, to allow the operators in the subject pool to appear and show cause why the Fowler-Lower Paddock Gas Pool should not be developed on 160-acre units.

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Order No. R-2684-B

(5) That at the request of the applicant, Pan American Petroleum Corporation, Case No. 3002 was continued to May 25, 1966, and readvertised to consider the amendment of Order No. R-2684 and Order No. R-2684-A to establish special rules and regulations governing the Fowler-Lower Paddock Pool.

(6) That the applicant seeks the promulgation of rules classifying wells as gas wells or oil wells, establishing spacing for gas wells and oil wells, and fixing a limiting gas-oil ratio of 6000 to one.

(7) That the reservoir characteristics of the subject pool indicate that the gas area can be efficiently and economically drained and developed on 320-acre spacing, and that the oil area can be efficiently and economically drained and developed on 80-acre spacing.

(8) That the reservoir characteristics of the subject 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.

(9) 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.

(10) That temporary special rules and regulations providing for 320-acre gas well spacing and 80-acre oil well spacing should be promulgated for the subject pool in order to 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, prevent reduced recovery which might result from the drilling of too few wells, and otherwise prevent waste and protect correlative rights.

(11) That the temporary special rules and regulations should provide for the classification 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 and should provide for the establishment of a gas-liquid ratio of 4000 cubic feet of gas per barrel of liquid hydrocarbons in order to afford the owner of each property in the pool the opportunity to produce his just and equitable share of the oil or gas, or both, and for this

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purpose to use his just and equitable share of the reservoir energy.

(12) That the Special Rules and Regulations promulgated by Order No. R-2684 and Order No. R-2684-A are inadequate to afford the owner of each property in the pool the opportunity to produce his just and equitable share of the gas and oil in the pool.

(13) That the Special Rules and Regulations promulgated by Order No. R-2684 and Order No. R-2684-A of the Commission Rules and Regulations should be amended to allow the owner of each property in the pool the opportunity to produce his just and equitable share of the gas and oil in the pool.

(14) That this case should be reopened at an examiner hearing in May, 1968, at which time the operators in the subject pool should be prepared to appear and show cause whether these special pool rules, as they relate to well spacing, well classification, and limiting gas oil-ratios, should remain in effect.

IT IS THEREFORE ORDERED:

That, effective July 1, 1966, the Special Rules and Regulations promulgated by Order No. R-2684 and Order No. R-2684-A are hereby amended to read in their entirety as follows:

**SPECIAL RULES AND REGULATIONS
FOR THE
FOWLER-LOWER PADDOCK POOL**

RULE 1. Each well completed or recompleted in the Fowler-Lower Paddock Pool or in the Lower Paddock formation within one mile thereof, and not nearer to or within the limits of another designated Lower Paddock pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. A gas well shall mean a well producing from within the vertical and horizontal limits of the Fowler-Lower Paddock Pool which produces with a producing gas-liquid ratio of 50,000 cubic feet of gas or more per barrel of liquid hydrocarbons.

RULE 3. A well producing from within the horizontal and vertical limits of the Fowler-Lower Paddock Pool and not classified

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as a gas well shall be classified as an oil well in the Fowler-Lower Paddock Pool.

RULE 4. Each gas well shall be located on a standard unit containing 320 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a governmental section.

RULE 5. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Land Surveys, or the following facts exist and the following provisions are complied with:

- (a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.
- (b) The non-standard unit lies wholly within a governmental section and contains less acreage than a standard unit.
- (c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.
- (d) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 6. Each oil well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a governmental quarter section.

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RULE 7. The Secretary-Director may grant an exception to the requirements of Rule 6 without notice and hearing when an application has been filed for a non-standard unit comprising a governmental quarter-quarter section or lot or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 8. A standard oil proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of 2.33 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard oil proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

RULE 9. Each well shall be located no nearer than 660 feet to the outer boundary of the quarter section and no nearer than 330 feet to any governmental quarter-quarter section line.

RULE 10. The Secretary-Director may grant an exception to the requirements of Rule 9 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

RULE 11. Acreage dedicated to a gas well shall not be simultaneously dedicated to an oil well and the dual completion of a well so as to produce gas and oil from two different zones in said pool is hereby prohibited.

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RULE 12. Gas-liquid ratio tests shall be conducted annually during the month of May on all wells located in and producing from the Fowler-Lower Paddock Pool.

RULE 13. The limiting gas-oil ratio for an oil well shall be 4000 cubic feet of gas for each barrel of oil produced.

RULE 14. The maximum allowable for a gas well shall be equal to four times the top allowable gas limit for an oil well.

IT IS FURTHER ORDERED:

(1) That the vertical limits of the Fowler-Lower Paddock Pool shall be the zone encountered in the Pan American SMU Well No. 16, located in Unit O of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, between the top of the Lower Paddock formation at 5088 feet and the top of the Blinbry formation at 5230 feet, and horizontal limits comprising all of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That the locations of all wells presently drilling to or completed in the Fowler-Lower Paddock Pool or within one mile thereof are hereby approved provided that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before July 15, 1966.

(3) That each oil well presently drilling to or completed in the Fowler-Lower Paddock Pool or within one mile thereof shall receive a 40-acre allowable until a Form C-102 dedicating 80 acres to the well has been filed with the Commission.

(4) That this case shall be reopened at an examiner hearing in May, 1968, at which time the operators in the subject pool may appear and show cause whether these temporary special rules, as they relate to well spacing, well classification and gas-oil ratio limitation, should remain in effect.

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

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CASE No. 3002

Order No. R-2684-B

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

Guyton B. Hays
GUYTON B. HAYS, Member

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



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.

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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:

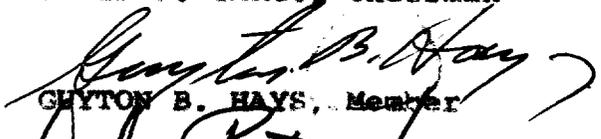
(1) That the Special Rules and Regulations governing the Fowler-Lower Paddock Pool, promulgated by Order No. R-2684-B, are hereby continued in full force and effect until further order of the Commission.

(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


CLAYTON B. HAYS, Member


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

