

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

FORT WORTH, TEXAS

ALEX CLARKE, JR.
DIVISION ENGINEER

January 30, 1959

File: GWK-3044-986.510.1

Subject: NMOCC Case 1595
Minimum Allowables
Fulcher Kutz Pictured
Cliffs Field

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Pan American Petroleum Corporation wishes to enter a statement in Case 1595 which is scheduled to be heard at the February 4, 1959 Examiner Hearing. We request that the following statement be read into the record of this case:

Pan American Petroleum Corporation is operator of approximately 44 wells in the Fulcher Kutz Pictured Cliffs Pool. We recognize that under certain circumstances increased allowables may be necessary for economic reasons to prevent premature abandonment of certain wells which were drilled on short spacing prior to June 22, 1948. Pan American is opposed to the granting of any increased allowables for these wells if other wells were drilled after that time in the same immediate vicinity at locations which would preclude the assignment of additional acreage to form standard size units for the previously existing wells. We also oppose the granting of increased allowables if additional acreage can be assigned to these wells and no valid attempt has been made to do so. We further believe that increased allowables should only be granted for wells that would qualify under the provisions of the Statutes after examining the economic factors concerning each individual well and then only in the amount necessary to prevent premature abandonment.

Very truly yours,

RVC:lj