

SPECIAL RULES AND REGULATIONS
FOR THE FOWLER-PADDOCK GAS POOL

RULE 1

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

BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

Prud. F.M.'s EXHIBIT NO. 12

CASE NO. 2742 - 2743 - 2744

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RULE 2

Each well completed or recompleted in the Fowler-Paddock Gas Pool shall be located on a standard proration unit consisting of approximately 320 acres comprising any two contiguous quarter sections of a single governmental section, being a legal subdivision (half section) of the United States Public Lands Survey. For purposes of these rules, a unit containing 316 through 324 acres shall be considered a standard unit.

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RULE 3

Each well completed or recompleted in said pool shall be located within 150 feet of the center of any quarter-quarter section. Any wells drilling to or completed in the Fowler-Paddock Pool on the date of this order are hereby granted an exception to the well location requirements of this rule. Also any well producing from a deeper formation on the date of this order is granted a similar exception when being recompleted into the Paddock.

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RULE 3

Each well projected or completed in the Fowler-Blinebry Pool shall be located no nearer than 330 feet to outer boundary of the proration unit.

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RULE 4

For good cause shown, the Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising less than 320 acres. 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 of the Commission may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The acreage factor assigned to any such non-standard unit shall bear the same ratio to a standard acreage factor in the Fowler-Paddock Gas Pool as the acreage in such non-standard unit bears to 320 acres.

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RULE 5

In the event of subsequent prorationing of the Fowler-Paddock Gas Pool, the allowable assigned to a non-marginal well shall be in the same ratio that its acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.