Case Number

Application Transcripts.

Small Exhibits

ZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXI

1120 SIMMS BIDG. . P. O. BOX 1092 . PHONE 243-6691 . AIBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
December 17, 1969

EXAMINER HEARING

IN THE MATTER OF:

Application of Pan American Petroleum Corporation for two unorthodox gas well locations, Rio Arriba County, New Mexico.

Case No. 4277

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING



MR. NUTTER: Case No. 4277.

MR. HATCH: Case No. 4277. Application of Pan American Petroleum Corporation for two unorthodox gas well locations, Rio Arriba County, New Mexico.

MR. ROSS: My name is Louis C. Ross, attorney for Pan American Petroleum Corporation, Denver, Colorado. And I think the record shows that there is a written appearance in this case; is that correct?

MR. NUTTER: Yes, sir. There is a written appearance.

(Witness sworn.)

(Whereupon, Applicant's Exhibits 1 through 5 were marked for identification.)

CHARLES J. BOYCE,

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. ROSS:

- Q Will the witness please state his name?
- A My name is Charles Boyce.
- Q And you are also known as Chuck Boyce?
- A Yes.
- O Chuck, state your employer and your position.
- A I'm employed by Pan American Petroleum Corporation as a senior petroleum engineer in the operation.

- O Are you familiar with this area?
- A Yes, I am.
- Q Have you heretofore testified before this Commission?
- A I have; yes.
- Q Are the qualifications of the witness acceptable to the Commission?

MR. NUTTER: Yes, they are.

Q (By Mr. Ross) You have prepared certain exhibits or they have been prepared under your authority?

A I have; yes.

MR. ROSS: Our Exhibits 1 seems to be a location plat of the area. Would you please explain to the Commission the significance of this plat?

A Yes. Exhibit 1 shows a section of Rio Arriba County, New Mexico, more particularly in Township 26 North, Range 4
West. In the center of the plat, Sections 3, 4, 9, and 10 are Pan American Petroleum Corporation, particularly of 102 lease.
The two wells in the southeast corner of Section 9 and 10 indicated by large arrows Well Numbers 15 and 16 are the two wells involved in this case.

In surrounding sections, I've indicated by small arrows existing Mesaverde producing wells. We are requesting approval of unorthodox locations for Wells Number 15 and 16 to open the Mesaverde formation in these wells. They were

drilled in April and May of 1969 to the Gallup formation.

The Gallup formation was encountered at the depths, and then thicknesses as anticipated, was fracted, flow tested, and found to be noncommercial of gas production.

We plan to open the Mesaverde wells if we are given approval. The wells were drilled as an offset to a Southern Union Gallup completion in Section 15, in the northwest corner of Section 15. It was a commercial well.

Also shown on the exhibit beside each existing Mesaverde completion are the cumulative production through January 1st, 1969, and under that, the average producing rate during August of 1969. I believe that covers the general points in Exhibit 1.

Q All right. We will proceed to Exhibits 2 and 3. I think you can discuss those collectively. Will you state the purpose of Exhibits 2 and 3?

A Exhibits 2 and 3 are both copies of the gamma ray density logs obtained on the two wells I mentioned, Numbers 15 and 16. These logs both show near the bottom of the reproduction the Gallup section, more particularly, the Gallup sand that occurs in this area. Indicated thereon are the intervals which we perforated in the wells, the fluid and propping agent and injection rate used during the sand water fract; and also, the measured shut-in pressure and the nominal

flow rates obtained from these wells after cleanup. I might mention the flow rates were obtained at 250 to 260 pounds.

Of course, the line pressure which these wells would have produced, had they been commercial, is about five hundred pounds. For that reason, I don't believe there is any doubt that the wells are incapable of commercial production from the Gallup formation. And for that reason, we propose to open the Mesaverde formation, which is proven productive in this area.

In the upper section of both of these logs, I've indicated the porcur intervals in the Mesaverde, which we propose to open. That there is a poor sand through the Mesaverde section, in this general area. I should mention that these logs were separated and spliced together, and the short interval indicated between the Mesaverde and Gallup is not really representative.

The base of the Mesaverde, for instance, in Well Number 16 is that approximately fifty-seven hundred feet. The Gallup perforations were at seventy-one hundred feet. So there is about fourteen or fifteen hundred feet between the two formations. I believe that --

- Q Referring to Exhibits 4 and 5, would you please explain these exhibits?
 - A Yes. Exhibits 4 and 5 are both acreage dedication

plats which were filed at the time the two wells were originally proposed for drilling to the Gallup formation. The main point shown herein is that both wells were orthodox locations for the originally intended formation, which was the Gallup. At the time the wells were proposed, this pool was known as an undesignated Gallup pool.

Under the rules governing development gas wells, the wells were required to be located at least 790 feet from the outer boundary of the 160-acre tract, and at least 130 feet from any quarter quarter section line, and both of these wells do fulfill those requirements. So, they were orthodox locations for the undesignated Gallup pool.

However, this acreage is within the limits of the Blanco-Mesaverde, under which wells are required to be located in either the southwest quarter or the northeast quarter of the section. These plats show that both of these wells are presently located in the southeast quarter, and therefore, in order to open the Mesaverde and produce it under the present Mesaverde rules, we do require exceptions.

Q I would like to move for the admittance of our exhibits, 1 through 5.

MR. NUTTER: Pan American's Exhibits 1 through 5 will be admitted into evidence.

Q (By Mr. Ross) Now, let me ask the witness. Who are

the offset operators?

A Operators who offset either directly or diagonally the section in which these wells are located are Consolidated Oil and Gas Company, Denver, Colorado; Northwest Production Corporation, El Paso, Texas; and Southern Union Production Company, Farmington, New Mexico. And all of these operators do have Mesaverde wells producing at the present time.

Q You have procured waivers from these operators, have you not, which are represented by Exhibits 6 through 8?

A Yes, we notified the operators of our intended request before the Commission, and asked that they return the signed copies of the letters indicating their approval of our proposal. And Exhibits 6, 7, and 8 are copies of those letters from the offset operators.

Q Let the record show that Exhibit 6 is a waiver by Consolidated Oil and Gas, Inc. Exhibit 7 is a waiver by Northwest Production Corporation. Exhibit 8 is a waiver by Southern Union Production Company. And I would like to now move for the introduction of these exhibits into evidence.

MR. NUTTER: Applicant's Exhibits 6, 7, and 8 will be admitted in evidence.

Q (By Mr. Ross) In conclusion, Mr. Boyce, I would like to ask you if there are any other orthodox Mesaverde locations in this area, and if so, please point them out.

A Yes, there are. The wells I've indicated, there are four present Mesaverde wells, which are unorthodox, in Section 14 of the far southeast corner of this plat A. Well Number 9 a Southern Union Petroleum injection one, just the north of -- Actually, it's in Township 26 North, Range -- no, pardon me. That's Section 11. The draftsman must have gotten rid of part of Section 11. Both of the wells operated by Consolidated in Section 11 are unorthodox.

In Section 5, one well, a Number 3, in the northwest quarter, is also an unorthodox location.

MR. NUTTER: Are there any other questions of the witness? You may be excused. Do you have anything further?

MR. ROSS: If the Commission please, I believe that

concludes our case.

MR. NUTTER: Does anyone have anything they wish to offer in Case 4277? We'll take the case under advisement and call Case 3455.

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WITNESS PAGE
CHARLES BOYCE
Direct Examination by Mr. Ross 2

<u>E X H I B I T S</u>

		ŀ	MARKED	ADMITTED
Applicant's Ex	hibits 1	- 5	2	6
Applicant's Ex	chibits 6	5-8	2	7

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

I, DAVID BINGHAM, Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

COURT REPORTER

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OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 2068 - BANTA FE 87801 GOVERNOR DAVID F. CARGO CHAIRMAN

AND COMMISSIONER ALEX J. ARMIJO

STATE GROLOGIST A. L. PORTER, JR. GEORGYARY - BIRGOTO

December 24, 1969

Mr. Louis Ross Pan American Petroleum Corporation Security Life Building Denver, Colorado 80202	Order No. R-1903 Applicant: Pan American Petroleum Corp.
Dear Sir:	
Enclosed herewith are two copies of sion order recently entered in the s	
A. L.	PORTER, Jr. ary-Director
ALP/ir	
Copy of order also sent to:	
Hobbs OCC x	
Artesia OCC	•
Aztec OCC X	
Other	

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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

> CASE No. 4277 Order No. R-3903

APPLICATION OF PAN AMERICAN PETROLEUM CORPORATION FOR TWO UNORTHODOX GAS WELL LOCATIONS, RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30 a.m. on December 17, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Mutter.

NOW, on this 24th day of December, 1969, 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, seaks an exception to Rule 2 of the Special Rules and Regulations governing the Blanco-Mesaverde Gas Pool as promulgated by Order No. R-1670, as amended, to recomplete its following-described wells at unorthodox locations in the Blanco-Mesaverde Gas Pool, both in Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico:

Jicarilla Apacho 102 Well No. 15, located 790 feet from the South line and 1190 feet from the East line of Section 9; and

Jicarilla Apache 102 Well No. 16, located 1070 feet from the South line and 1450 feet from the East line of Section 10.

-2-CASE No. 4277 Order No. R-3903

- (3) That the subject wells were originally drilled as Gallup gas wells at standard locations for an undesignated Gallup gas pool and are off-pattern with respect to the Special Rules and Regulations governing the Blanco-Mesaverde Gas Pool.
- (4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Blanco-Mesaverde Gas Pool, will 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 and otherwise prevent waste and protect correlative rights.

IT IS THEREPORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby granted an exception to the well location requirements of Rule 2 of the Special Rules and Regulations governing the Blanco-Mesaverde Gas Pool as promulgated by Order No. R-1670, as amended, and is hereby authorised to recomplete its following-described wells at unorthodox locations in the Blanco-Mesaverde Gas Pool, both in Township 26 North, Range 4 West, MMPM, Rio Arriba County, New Mexico:

Jicarilla Apache 102 Well No. 15, located 790 feet from the South line and 1190 feet from the East line of Section 9; and

Jicarilla Apache 102 Well No. 16, located 1070 feet from the South line and 1450 feet from the East line of Section 10.

(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

ALEX J. ARMIJO, Member

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

PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING

PRODUCING DEPARTMENT
H. T. HUNTER
DIVISION PRODUCTION
MANAGER

DENVER, COLORADO 80202

DISTRICT SUPERINTENDENTS
W. M. JONES
T. M. CURTIS

November 12, 1969

File: AMR-2167-986.511

Re:

Application of Pan American Petroleum Corporation for Unorthodox Well Locations Jicarilla Apache Well Nos. 15 and 16 Blanco Mesaverde Field, New Mexico

Can 4217

Southern Union Production Company (2) P. O. Box 808 Farmington, New Mexico

AUA

Gentlemen:

Pan American has requested New Mexico Oil Conservation Commission's administrative approval of unorthodox locations for the above referenced wells in the Blanco Mesaverde pool.

If you, as an offset operator, have no objection we will appreciate your signifying your approval in the space provided below and forwarding one copy of this letter to the Commission's office in Santa Fe to the attention of Mr. A. L. Porter, Jr. in the enclosed stamped envelope.

Yours very truly,

2.M. Curtin

Enclosure

APPROVED:

Southern/Union Production Company

Date

cc: New Mexico Oil Conservation Commission

P. O. Box 2088

Santa Fe, New Mexico 87501

DOMEN MAKE

Date 13/5/69

NOV 21 1969

PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING

PRODUCING DEPARTMENT
H. T. HUNTER
DIVISION PRODUCTION
MANAGER

DENVER, COLORADO 80202

DISTRICT SUPPRINTENDENTS
W. M. JONES
T. M. CURTIS

November 12, 1969

File: AMR-2168-986.511

Re: Appli

Application of Pan American Petroleum Corporation for Unorthodox Well Locations Jicarilla Apache Well Nos. 15 and 16 Blanco Mesaverde Field, New Mexico

Can 4277

I.M. Curtis

Consolidated Oil and Gas Inc. (2) 1860 Lincoln Street Denver, Colorado 80203

Gentlemen:

Pan American has requested New Mexico Oil Conservation Commission's administrative approval of unorthodox locations for the above referenced wells in the Blanco Mesaverde pool.

If you, as an offset operator, have no objection we will appreciate your signifying your approval in the space provided below and forwarding one copy of this letter to the Commission's office in Santa Fe to the attention of Mr. A. L. Porter, Jr. in the enclosed stamped envelope.

Yours very truly,

Enclosure

APPROVED:

Consolidated Oil and Gas Inc.

Date 11-19-69

cc: New Mexico Oil Conservation Commission

P. O. Box 2088

Santa Fe, New Mexico 87501

NOW IN THE

PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING
DENVER, COLORADO 80202

November 12, 1969

Does

File: AMR-2166-986.511

Case 4277

Re:

Application of Pan American Petroleum Corporation for Unorthodox Well Locations Jicarilla Apache Well Nos. 15 and 16 Blanco Mesaverde Field, New Mexico

Northwest Production Corporation (2) P. O. Box 1796 El Paso, Texas 79999

Gentlemen:

Pan American has requested New Mexico Oil Conservation Commission's administrative approval of unorthodox locations for the above referenced wells in the Blanco Mesaverde pool.

If you, as an offset operator, have no objection we will appreciate your signifying your approval in the space provided below and forwarding one copy of this letter to the Commission's office in Santa Fe to the attention of Mr. A. L. Porter, Jr. in the enclosed stamped envelope.

Yours very truly,

Enclosure

APPROVED:

Northwest Production Corporation

Date 20-17,1919

cc: New Mexico Oil Conservation Commission

P. O. Box 2088

Santa Fe, New Mexico 87501

In Curtis

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 17, 1969

9:30 A. M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM, STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, Alternate Examiner:

CASE 4276: Application of Humble Oil & Refining Company for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 506 of the Commission Rules and Regulations to provide for a limiting

gas-oil ratio of 6,000 cubic feet of gas per barrel of oil in the Oil Center-Blinebry Pool, Lea County, New Mexico.

CASE 4277:

Application of Pan American Petroleum Corporation for two unorthodox gas well locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of two unorthodox gas well locations in Township 26 North, Range 4 West, Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico, as follows:

Jicarilla Apache 102 Well No. 15 located 790 feet from the South line and 1190 feet from the East line of Section 9;

Jicarilla Apache 102 Well No. 16 located 1070 feet from the South line and 1450 feet from the East line of Section 10.

CASE 3455: (Reopened) Continued from the November 5, 1969 Examiner Hearing

In the matter of Case No. 3455 being reopened pursuant to the provisions of Order No. R-2565-B, which order, among other things, established 320-acre spacing units for the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico, for a period of three years. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 4257: (Continued from the November 19, 1969 Regular Hearing)

Application of Sohio Petroleum Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the open-hole interval from 4920 feet to 4995 feet in its Phillips Lea SWD Well No. 4 located in Unit M of Section 31, Township 17 South, Range 34 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico.

CASE 4263: (Continued from the November 25, 1969 Examiner Hearing

Application of Wynn & Brooks for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal "E" Well No. 3, to be located 590 feet from the South line and 1590 feet from the West line of Section 13, Township 27 North, Range 8 West, Blanco-Mesaverde and Basin-Dakota Pools, San Juan County, New Mexico.

CASE 4264: (Continued from the November 25, 1969, Examiner Hearing)

Application of Wynn & Brooks for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal "J" Well No. 1, to be located 2390 feet from the South line and 2410 feet from the East line of Section 11, Township 27 North, Range 8 West, Blanco-Mesaverde and Basin-Dakota Pools, San Juan County, New Mexico.

- CASE 4278: Application of Anne Burnett Windfohr, dba
 Windfohr Oil Company, for an exception to Order No. R-3221, as
 amended, Eddy County, New Mexico. Applicant, in the abovestyled cause, seeks an exception to Order No. R-3221, as
 amended, which order prohibits the disposal of water produced
 in conjunction with the production of oil on the surface of the
 ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
 Said exception would be for applicant's Gissler B Wells Nos.
 11 and 12, located, respectively, in Units J and I of Section
 23, Township 17 South, Range 30 East, Jackson-Abo Pool, Eddy
 County, New Mexico. Applicant seeks authority to dispose
 of salt water produced by said wells in unlined surface pits
 in the vicinity of said wells.
- CASE 4279: Application of Anne Burnett Windfohr, dba Windfohr Oil Company, for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for applicant's dissler B Well No. 4 located in Unit B of Section 8, Township 17 South, Range 30 East, Grayburg-Jackson Pool, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by said well in an unlined surface pit in the vicinity of said well.

- CASE 4280: Application of J. M. Huber Corporation for sail water disposal, Lea County, New Nexico.

 Sopricant, in the above-styled cause, scaks authority to dispose of produced salt water into the Lower Wolfcamp formation in the perforated interval from 10,358 feet to 10,419 feet in its Stoltz State Well No. 1 located in Unit M of Section 6, Township 15 South, Range 35 East, Morton-Wolfcamp Pool, Lea County, New Mexico.
- CASE 4281: Application of Continental Oil Company for a dual completion Lea County. New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its SEMU Well No. 21 located in Unit O of Section 19, Township 20 South, Range 38 East. Lea County, New Mexico, in such a manner as to produce oil from an undesignated Blinebry oil pool and gas from an undesignated Drinkard gas pool through parallel strings of tubing.
- CASE 4282: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico, Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the East Dak Unit Area by the injection of water this the upper Queen formation through two wells located in Units N and P of Section 22, Township 18 South, Range 34 East, East E-K Queen Pool, Lea County, New Mexico.
- CASE 42-3. Application of Continental Cil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the East E-K Unit Area comprising 400 acros, more or less, of state lands described as the NW/4, E/2 SW/4 and SE/4 of Settier 22. Township 18 South, Range 34 East, East E-F Queen Pool, Loa County, New Mexico.
- CASE 4284: Application of Continental Oil Company for salt water disposal.

 Edd, County, Not Mexic. Applicant, in the above-styled cause, seeks authority to dupose of produced salt water in its Springs SWD Wells Not. 1 and 2, located in Init Forf Section 3 and Unit A of Section 4 respectively, Township 21 South, Range 25 East, Springs-Upper Pennsylvanian Gas Pool, Edd: County, New Mexico.

 Disposal into Well Not 1 would be into the Bone Spring Wolfders and Upper Pennsylvanian formations in the connhole interval from 2700 feet to 8350 feet. Disposal into Well Not 3 would be into the Upper Pennsylvanian formation in the perferateding from 8300 feet to 8400 feet.

CASE 4265: (Readvertised):

Application of Union Oil Company of California for salt water disposal, Lea County, New Mexico. Applicant, in the abovestyled cause, seeks authority to dispose of produced salt water into the Yates, San Andres and other formations in the open-hole interval from approximately 4450 feet to 6067 feet in its Midway State Well No. 3 located in Unit J, Section 12, Township 17 South, Range 36 East, Lovington Field, Lea County, New Mexico.

CASE 4285: Application of Southwestern Natural Gas Inc., for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the special rules and regulations governing the North Osudo-Morrow Gas Pool to permit the drilling of a well at an unorthodox gas well location 1980 feet from the South line and 660 feet from the East line of Section 19, Township 20 South, Range 36 East, Lea County, New Mexico.

OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

November 18, 1969

Car 4277

Pan American Petroleum Corporation Security Life Building Denver, Colorado 80202

Attention: Mr. T. M. Curtis

Re: Application for unorthodox well locations for the Jicarilla Apache Wells Mos. 15 and 16, Blanco-Mesaverde Pool, Rio Arriba County, New Mexico

Gentlemen:

As the above-described wells are to be recompleted at off-pattern locations for the Blanco-Mesaverde Pool, it will be necessary for the matter to be set for hearing.

Unless the Commission hears otherwise from you, the subject matter will be set for hearing on December 17, 1969, before an examiner.

Very truly yours,

GEORGE M. HATCH Attorney

GMH/esr

cc: Oil Conservation Commission 1000 Rio Brazos Road Aztec, New Mexico

DEC 1 1963

ATWOOD, MALONE, MANN & COOTER

JEFF D. ATWOOD [883-1960]

CHARLES F. MALONE RUSSELL D. MANN PAUL A. COOTER BOB F. TURNER ROBERT A. JOHNSON JOHN W. BASSETT

ROBERT E. SABIN

[505] 622-6221
P.O. DRAWER 700
SECURITY NATIONAL BANK BUILDING
ROSWELL, NEW MEXICO 88201

December 3, 1969

Mr. A. L. Porter, Jr. Oil Conservation Commission State Land Office Santa Fe, New Mexico 87501

> Re: Case No. 4277 on the December 17, 1969 Examiner Hearing Docket

Dear Mr. Porter:

Would you please file the enclosed Entry of Appearance in the above captioned case. The presentation will be handled by Louis C. Ross of Pan American Petroleum Corporation's Denver office.

Appreciating your courtesy, and with our kind regards, we are,

Very truly yours,

Paul Cooter

PC:bc

Enc.

cc: Louis C. Ross, Esquire

BEFORE THE OIL CONSERVATION COMMISSION STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF PAN AMERICAN PETROLEUM CORPORA-)
TION FOR TWO UNORTHODOX GAS WELL)
LOCATIONS IN THE BLANCO-MESAVERDE)
GAS POOL, TOWNSHIP 26 NORTH, RANGE)
4 WEST, N.M.P.M., RIO ARRIBA COUNTY,)
NEW MEXICO.

No. 4277

ENTRY OF APPEARANCE

The undersigned, Atwood, Malone, Mann & Cooter of Roswell,

New Mexico, hereby enter their appearance herein on behalf of Pan

American Petroleum Corporation.

DATED at Roswell, New Mexico, this 3rd day of December, 1969.

ATWOOD, MALONE, MANN & COOTER

P. O. Drawer 700

Roswell, New Mexico 88201

Exhibit 4

WELL LOCATION AND ACERAGE DEDICATION PLAT

	The same of the same of the same of	All distant	ces must be fro	om the outer bou	ndaries (of the Section	ı .		
Operator				Lease				11	Well No.
PAN AM	ERICAN PETROL	J	ICARI.	LLA APAC	HE 102	!	15		
Unit Letter	Section	Township		Range	Ī	County	•		· · · · · · · · · · · · · · · · · · ·
P	9	26	NORTH	4 WES	r	R	IO ARRIB	A	
Actual Footage Los	tation of Well:								
790	feet from the	SOUTH	line and	1190	feet	from the	EAST	line	•
Ground Level Elev.	Producing Fo	ormation		Pool			1	Dedicoted	Avereage: SE/4
Report La	ter Ga	llup		บ	ndesi	gnated	ļ	160	Acres
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Sec. 9

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SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.

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Millaton b.
Nome
G. W. Eaton, Jr.
Position
Area Engineer
Company
PAN AMERICAN PETROLEUM CORP.
Date
April 14, 1969

I hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by ma or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

9 April, 1969 Date Surveyed
Date Surveyed
Chim V. lence
Projected Project onal Anginger Constor Land Strategies Constant
Count of Fully selection of the selectio
JAMES PO LESSE
7/63
Certificate No. 5

MEXICO OIL CONSERVATION COM: ISSION WELL LOCATION AND ACERAGE DEDICATION FLAY

•	CICAN PETROLE	UM CORPOR	ATION		RILLA APAC	HE 102		
Unit Letter	Section		<u></u>		1 .			
0 .	10	26	NORTH	4 WES	T	RIO ARRIBA	1	
Actual Footage Loc	ation of Well:							
. 1070	feet from the	SOUTH	line and	1450	feet from the	EAST	line	
Ground Level Elev.	Producing F	ormation		P∞l			Dedicated Avereage:	SE/4
Report Late	er Gal	llup		Undes	ignated		160	Acres
2. If more the interest and rog3. If more the	on one lease is di yalty), on one lease of di	edicated to	the well, out	line each and	identify the o	wnership ther	reof (both as to	•
() Yes () No If	answer is "y	es," type of	consolidation	·	************************		*************
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SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.

CERTIFICATION

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Area Engineer Company PAN AMERICAN PETROLEUM CORP Date April 14, 1969

! hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

9 April, 1969 Date Surveyed Registered Proless, and enveror JAMES P. LEESE

1463 Certificate No.

PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING

PRODUCING DEPARTMENT
H. T. HUNTER
Division Production
Manager

DENVER, COLORADO 80202

DISTRICT SUPERINTENDENTS
W. M. JONES
T. M. CURTIS

November 26, 1969

File: AMR-2302-986.511

Re:

Application of Pan American Petroleum Corporation for Unorthodox Locations Jicarilla Apache 102

Wells 15 and 16

Blanco Mesaverde Field, New Mexico

Consolidated Oil and Gas Inc. (2) 1860 Lincoln Street Denver, Colorado 80203 Southern Union Production Company (2)

P. O. Box 808

Farmington, New Mexico

Northwest Production Corporation (2) P. O. Box 1796 El Paso, Texas 79999

Gentlemen:

By letter dated November 12, 1969, we advised you of our application to the New Mexico Oil Conservation Commission for administrative approval of unorthodox locations for the above referenced wells. The locations of these wells, which were originally completed as non-commercial Gallup gas wells are as follows:

Jicarilla 102 No. 15: 790' FSL, 1,190' FEL Sec. 9-T26N-R4W

Jicarilla 102 No. 16: 1,070' FSL, 1,450' FEL

Sec. 10-T26N-R4W

The commission declined to grant administrative approval and has set the matter for hearing before an Examiner on December 17, 1969. If you as an offset operator, have no objection to our attempted

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 6
CASE NO. 477

File: ANR-2302-986.511

November 26, 1969

recompletion of these wells to the Mesaverde formation, would you please signify your approval in the space provided below and return one copy of this letter in the enclosed stamped envelope.

AGREE TO AND APPROVE THIS ___lst DAY OF __December _, 1969

COMPANY Consolidated Oil & Gas, Inc.

E. J. Henderson Manager of Operations

PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING

PRODUCING DEPARTMENT
H. T. HUNTER
DIVISION PRODUCTION
MANAGER

DENVER, COLORADO 80202

W. M. JONES
T. M. CURTIS

November 26, 1969

File: AMR-2302-986.511

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	EXHIBIT NO.	
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File: ANR-2302-986.511

- 2 -

November 26, 1969

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Yours very truly

COMPANY Mothers Production Corp

BY RH Nordrausen

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RECEIVED PRODUCING DEF DENVER

STRUCT SUPERINTENDENTS

W. M. JONES
T. M. CURTIS

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DE DOS

PAN AMERICAN PETROLEUM CORPORATION: 16 1969

SECURITY LIFE BUILDING

PRODUCING DEPARTMENT
H. T. HUNTER
DIVISION PRODUCTION
MANAGER

DENVER, COLORADO 80202

November 26, 1969

File: AMR-2302-986.511

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Application of Pan American Petroleum Corporation for

Unorthodox Locations Jicarilla Apache 102

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BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO.
CASE NO.

File: AMR-2302-986.511

_ 2 _

November 26, 1969

recompletion of these wells to the Mesaverde formation, would you please signify your approval in the space provided below and return one copy of this letter in the enclosed stamped envelope.

Yours very truly,

AGREE TO AND APPROVE THIS 10th DAY OF December , 1969

COMPANY SOUTHERN UNION PRODUCTION CO.

Vice President

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1989° 8 1 VON

PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING

DENVER, COLORADO 80202

DISTRICT SUPERINTENDENTS
W. M. JONES
T. M. CURTIS

PRODUCING DEPARTMENT H. T. HUNTER DIVISION PRODUCTION MANAGER

WERENAEU

100 17 1969

DISTITUTE LEXIST

November 12, 1969

File: AMR-2165-986.511

Re: Application of Pan American Petroluem Corporation for Unorthodox Well Locations Jicarilla Apache Well Nos. 15 and 16

Blanco Mesaverde Field, New Mexico

Mr. A. L. Porter, Jr. (2) New Mexico Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

Dear Mr. Porter:

Pan American Petroleum Corporation encloses its application requesting administrative approval of unorthodox locations for the above referenced wells in the Blanco Mesaverde pool.

A request for waiver has been forwarded by certified mail to the offsetting operators, Consolidated Oil and Gas Company, Northwest Production Company and Southern Union Production Company, with the request that each of these interested parties forward their approval or objection directly to your office.

Yours very truly,

J. My. Curtien

Enclosures

cc: Mr. E. C. Arnold (2)
New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico

United States Geological Survey P. O. Box 965
Farmington, New Mexico 87401

United States Geological Survey Drawer 1857 Roswell, New Mexico PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING

PRODUCING DEPARTMENT H. T. HUNTER DIVISION PRODUCTION MANAGER

DENVER, COLORADO 80202

DISTRICY SUPERINTENDENTS W. M. JONES T. M. CURTIS

November 12, 1969

File: AMR-2164-986.511

Re:

Application of Pan American Petroleum Corporation for Unorthodox Well Locations Jicarilla Apache Well Nos. 15 and 16 Blanco Mesaverde Field, New Mexico

Class 4217

Mr. A. L. Porter, Jr. (3) New Mexico Oil Conservation Commission P. O. Box 2088 87501 Santa Fe, New Mexico

Dear Mr. Porter:

Pan American Petroleum Corporation respectfully requests your administrative approval of unorthodox well locations for the above referenced wells. These two wells were originally drilled as noncommercial gas wells to the Gallup formation and were orthodox locations for that horizon in an Undesignated Gallup pool. Pan American, as operator, plans to re-enter these wells for attempted recompletion in the shallower Mesaverde formation.

The Commission's Rule 104F (page 18 of Rules) grants the Secretary-Director of the Commission authority to grant an exception to well location requirements "without notice and hearing when the necessity for such unorthodox location is based upon topographical conditions or the recompletion of a well previously drilled to another horizon provided said well was drilled at an orthodox location for such original horizon".

Jicarilla Apache 102 No. 15 was originally drilled to a total depth of 7675' and a completion attempt in the Gallup interval 7568 - 78' was unsuccessful. Jicarilla Apache 102 No. 16 was originally drilled to a total depth of 7340' and a completion attempt in the Gallup interval 71.74 - 84' was unsuccessful.

As shown on the attached Form Cl02 dated April 14, 1969, Well No. 15is located 790' FSL and 1190' FEL of Section 9, T26N, R4W, which is an orthodox location for a gas well in this Undesignated Gallup pool. The attached Form Cl02 dated April 14, 1969, for Well No. 1.6 shows a location 1070' FSL and 1450' FEL of Section 10, T26N, R4W, which is also an orthodox location for a gas well in this Undesignated Gallup pool.

Both of these locations are, however, unorthodox for the Blanco Mesaverde pool since special rules for that pool require the location of wells in the SW or NE quarters of the section and both of the above wells are located in the SE quarter of their respective sections.

The attached plat shows the ownership of all leases offsetting these two wells for which unorthodox locations are sought, and in addition, shows all wells completed thereon. By certified mail we are forwarding notices of this application to all operators of proration or spacing units offsetting Jicarilla 102 Well Nos. 15 and 16.

We respectfully request that you approve the unorthodox locations requested herein without notice and hearing.

Yours very truly,

R. B. Siles

Attachments

cc: Mr. E. C. Arnold (2)
New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico

United States Geological Survey P. O. Box 965 Farmington, New Mexico 87401

United States Geological Survey Drawer 1857 Roswell, New Mexico

Consolidated Oil and Gas Inc. 1860 Lincoln Street Denver, Colorado 80203

Northwest Production Corporation P. O. Box 1796 El Paso, Texas 79999

Southern Union Production Company P. O. Box 808 Farmington, New Mexico

WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

Operator			Leose		l l	Well No.
PAN AM	ERICAN PETROLI	EUH CORPORATION	JICAR	ILLA APACHE	102	15
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CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Nome Suttation In.

Position
Area Engineer
Company

PAN AMERICAN PETROLEUM CORP.

April 14, 1969

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

9 April, 1969
Date Surveyed

Registered Professional Engineer
Constront Conditionary

1463 No. 1

SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.

A.

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

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BEF)RE 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. 4277

Order No. R-3903

SMA

APPLICATION OF PAN AMERICAN PETROLEUM CORPORATION FOR TWO UNORTHODOX GAS WELL LOCATIONS, RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

9:30

This cause came on for hearing at 9 a.m. on December 17, 1969, at Santa Fe, New Mexico. before Examiner Daniel S. Nutter .

NOW, on this _________, day of __________, 1969, 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 an exception to Rule 2 of the Special Rules and Regulations governing the Blanco-Mesaverde Gas Pool as promulgated by Order No. R-1670, as amended, to recomplete its following-described wells at unorthodox locations in the Blanco-Mesaverde Gas Pool, both in Township 26 North, Range 4 West, NMFM, Rio Arriba County, New Mexico:

Jicarilla Apache 102 Well No. 15, located 790 feet from the South line and 1190 feet from the East line of Section 9; and

Jicarilla Apache 102 Well No. 16, located 1070 feet from the South line and 1450 feet from the East line of Section 10.

- (3) That the subject wells were originally drilled and completed as Gallup gas wells at standard locations for an undesignated Gallup gas pool and are off-pattern with respect to the Special Rules and Regulations governing the Blanco-Mesaverde Gas Pool.
- (4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Blanco-Mesaverde Gas Pool, will 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 and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby granted an exception to the well location requirements of Rule 2 of the Special Rules and Regulations governing the Blanco-Mesaverde Gas Pool as promulgated by Order No. R-1670, as amended, and is hereby authorized to recomplete its following-described wells at unorthodox locations in the Blanco-Mesaverde Gas Pool, both in Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico:

Jicarilla Apache 102 Well No. 15, located 790 feet from the South line and 1190 feet from the East line of Section 9; and

Jicarilla Apache 102 Well No. 16, located 1070 feet from the South line and 1450 feet from the East line of Section 10.

(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.

CASE 4278: Application of ANNE BURNETT WINDFOHR, dba WINDFOHR OIL CO. FOR EXCEPTION TO R-3221.

JANUARY 7, 1970