

SECRET

3 cases

THE TRANSCRIPT FOR CASE 2744 IS IN THE
FILES FOR CASES 2742 and 2743. (THESE
CASES WERE CONSOLIDATED AND ONLY TWO
TRANSCRIPTS WERE MADE).

HEARD FEBRUARY 19, 1964

Case No. 2744

Application, Transcript,
and Exhibits, Etc.

THE ATLANTIC REFINING COMPANY

INCORPORATED - ~~ATLANTIC~~
PETROLEUM PRODUCTS OFFICE 300

1963 JAN 15 PM 1:32

**DOMESTIC PRODUCING DEPARTMENT
NEW MEXICO DISTRICT**

BOONE BRIDGEMAN, DISTRICT MANAGER
R. P. CHANDLER, DISTRICT LANDMAN
W. T. BAKER, DISTRICT GEOLOGIST
E. E. DOUGLAS, DISTRICT GEOLOGIST
A. D. KLEIN, DISTRICT OILS & PROD. SUPT.
W. P. TOMLINSON, DISTRICT ENGINEER
B. R. WARE, ADMINISTRATIVE SUPERVISOR

MAILING ADDRESS
P. O. BOX 1876
ROSEMILL, NEW MEXICO

January 15, 1963

[Handwritten signature]

New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

ATTENTION: Mr. A. L. Porter

Re: Case No. 2744: Pool Rules,
Fowler Paddock Gas Pool With
Exception For Nonstandard
Proration Unit

Gentlemen:

In Case No. 2744 to be heard on January 23, 1963, Pan American Petroleum Corporation is proposing special pool rules for the Fowler Paddock gas pool. They are also requesting exception from the proposed rules for a nonstandard gas proration unit. We have reviewed the proposed rules and the need for a nonstandard gas proration unit. Atlantic Refining Company believes these matters to be in the interest of conservation and that correlative rights will be protected. As a working-interest owner in the South Mattix Unit, we recommend that the proposed rules be established and that exception for the nonstandard gas proration unit be granted.

Yours very truly,

[Handwritten signature: W. P. Tomlinson]

W. P. Tomlinson

pam

DOCKET: EXAMINER HEARD - WEDNESDAY - JANUARY 23, 1963

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

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Matter, as alternate examiner:

CASE 2729: (Continued)

Application of Scanlon-Shepard for a water flood project, Chaco Wash Oil Pool, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to inject water into the Mesaverde formation through certain wells in Sections 21, 22, 27 and 28, Township 20 North, Range 9 West, McKinley County, New Mexico.

CASE 2731:

Application of Texaco, Inc., for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its State of New Mexico "O" NCT-1 Well No. 12, located in Unit J of Section 36, Township 17 South, Range 34 East, as a dual completion (tubingless) to produce oil from the Glorieta and Blinberry formations, Lea County, New Mexico.

CASE 2732:

Application of Sinclair Oil & Gas Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Mahaffey-Federal (ARC) Well No. 1 located in Unit C of Section 14, Township 20 South, Range 33 East, Lea County, New Mexico, to produce Bone Springs oil and Pennsylvanian gas through parallel strings of tubing.

CASE 2733:

Application of Charles B. Read for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 48.99-acre non-standard oil proration unit in an undesignated Delaware pool consisting of Lots 4 and 5 of Section 31, Township 26 South, Range 32 East, Lea County, New Mexico.

CASE 2734:

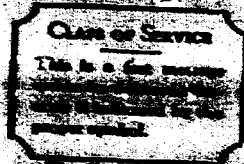
Application of Aztec Oil & Gas Company for approval of a unit agreement, Lea and Eddy Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of the Aztec-Robinson Waterflood Unit, comprising approximately 682 acres of State and Federal Lands in the E/2 SE/4 and SW/4 SE/4 of Section 36, Township 16 South, Range 31 East, the SW/4 SE/4 of Section 30, the W/2, W/2 E/2 and SE/4 SE/4 of Section 31, Township 16 South, Range 32 East Lea and Eddy Counties, New Mexico.

CASE 2735:

Application of Amerada Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its State BT "G" Well No. 2 located in Unit F, Section 27, Township 12 South, Range 33 East, Hightower Field, Lea County, New Mexico, in such a manner as to dispose of produced salt water into the Pennsylvanian formation.

- CASE 2736:** Application of Gulf Oil Corporation for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 120-acre non-standard gas proration unit in the Blinebry Gas Pool, comprising the N/2 SW/4 and SE/4 NW/4 of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico, said unit to be dedicated to the Scarborough Estate Well No. 4 located in Unit F of Section 31.
- CASE 2737:** Application of Gulf Oil Corporation for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special pool rules for the White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, including provisions for 640-acre spacing therein.
- CASE 2738:** Application of BCO, Inc. for a no-flare exception, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the no-flare provisions of Order No. R-2267 for its Campos Well No. 1-1 located in Unit J of Section 10, Township 23 North, Range 7 West, Lybrook-Gallup Pool, Rio Arriba County, New Mexico.
- CASE 2739:** Application of Socony Mobil Oil Company, Inc., to create a new pool for Abo production, and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for Abo production in Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, and the establishment of temporary special pool rules therefor, including a provision for 80-acre spacing units.
- CASE 2740:** Application of Socony Mobil Oil Company, Inc., for temporary special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules for the Vacuum-Wolfcamp Pool in Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, including a provision for 80-acre spacing units.
- CASE 2741:** Application of Socony Mobil Oil Company, Inc., for temporary special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules for the Vacuum-Devonian Pool in Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, including a provision for 80-acre spacing units.
- CASE 2742:** Application of Pan American Petroleum Corporation for special temporary pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules for the Fowler-Blinebry Oil Pool, Lea County, New Mexico, including a provision for 80-acre proration units.
- CASE 2743:** Application of Pan American Petroleum Corporation for the creation of a Tubb Gas Pool, for approval of a non-standard gas unit, and for special temporary pool rules. Applicant, in the above-styled cause, seeks the creation of a new Tubb gas pool, and the establishment of temporary special pool rules therefor, Lea County, New Mexico, including a provision for 320-acre spacing units. Applicant further seeks establishment of a non-standard unit in said pool, comprising the NE/4, E/2 NW/4, and the N/2 SE/4 of Section 22, Township 24 South, Range 37 East.

CASE 2744: Application of Pan American Petroleum Corporation for special pool rules and approval of a non-standard gas unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules for the Fowler-Edwards Gas Pool, Lea County, New Mexico, including a provision for 120-acre spacing units. Applicant further seeks establishment of a non-standard unit in said pool, comprising the NE 1/4, E 1/2 NE 1/4, and the N 1/2 SE 1/4 of Section 22, Township 24 South, Range 37 East.



WESTERN UNION TELEGRAM



RELEASE 131 DB196

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NEW MEXICO OIL CONSERVATION COMMISSION=

SANTA FE NMEX=

ATTEN: MR A L PORTER JR.

I STANDARD OIL COMPANY OF TEXAS, A DIVISION OF CALIFORNIA OIL COMPANY, CONCURS IN PAN AMERICAN PETROLEUM CORPORATIONS PROPOSALS IN CASE 2744, APPLICATION FOR TEMPORARY SPECIAL POOL RULES AND NONSTANDARD GAS UNIT IN THE FOWLER (PADDOCK) POOL, LEA COUNTY, NEW MEXICO, SET FOR HEARING JANUARY 23, 1963.

I AS OWNER OF LEASEHOLD INTERESTS IN THE AREA, WE RESPECTFULLY RECOMMEND APPROVAL OF THIS APPLICATION=
C H SEGNER CHIEF ENGINEER STANDARD OIL CO OF TEXAS=

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	
<i>Paw Film's</i>	EXHIBIT NO. <u>12</u>
CASE NO. <u>2742 - 2743 - 2744</u>	

SPECIAL RULES AND REGULATIONS
FOR THE FOWLER-PADDOCK GAS POOL

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.

SPECIAL RULES AND REGULATIONS
FOR THE FOWLER-PADDOCK GAS POOL

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.

SPECIAL RULES AND REGULATIONS
FOR THE FOWLER-BLINEBRY GAS POOL

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.

SPECIAL RULES AND REGULATIONS
FOR THE FOWLER-PADDOCK GAS POOL

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.

SPECIAL RULES AND REGULATIONS
FOR THE FOWLER-PADDOCK GAS POOL

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.

CONTINENTAL OIL COMPANY

P. O. BOX 1877
HOEWALL, NEW MEXICO

January 17, 1963

Wm. A. Reed
Secretary
New Mexico Division

925 PETROLEUM BUILDING
TELEPHONE: MAIN 2-4202

New Mexico Oil Conservation Commission (3)
P. O. Box 271
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr., Secretary-Director

Gentlemen:

Re: CASES NO. 2742, 2743,
AND 2744

Continental Oil Company is a working interest owner in the South Mattix Unit and, as such, is interested in Cases No. 2742, 2743 and 2744 which appear on the docket for hearing January 23, 1963.

Normally, Continental Oil Company favors uniform spacing between wells when field rules are considered. In the present case, however, it is recognized that many locations in the Fowler area will be developed by plug back recompletions or dual completions of existing wells. Such a situation must invariably result in non-uniform locations, so that if well locations are specified on a uniform pattern in the field rules many exceptions requiring hearings would be required. In the light of this situation, Continental Oil Company urges the Commission to establish field rules granting 90-acre spacing in the Blinbry, 320-acre spacing in the Tubb and Paddock and allowing flexibility of well locations so that existing wells can be utilized wherever possible in developing these reservoirs.

In regard to the non-standard gas proration units requested in Cases 2743 and 2744, Continental Oil Company urges that the proposed units be approved. The proposed units comprise the reasonably proven productive area of the Tubb and Paddock Gas pools underlying the South Mattix Unit in Section 22, T24S, R37E.

Yours very truly.

VTL-bm

cc: RGP, JRP

Pan American Petroleum Corp., P. O. Box 268, Lubbock, Texas

PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 868
Albuquerque, New Mexico
December 17, 1962

Case 27416

File: **NET-4467-986.518.1**

Subject: **Application for Adoption of
Field Rules - Fowler-Paddock,
Fowler-Blinebry, and
Undesignated Tubb Pools
Las County, New Mexico**

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir,

Attached are letters whereby we request that hearings be docketed to consider our application for rules for the Fowler-Paddock, Fowler-Blinebry, and an Undesignated Tubb Pool in the Fowler Area, Las County, New Mexico. It would be appreciated if all three of these hearings can be included on the same docket.

Also attached is a map showing ownership in the area of the subject fields.

Yours very truly,

Neil S. Whitmore

Neil S. Whitmore
District Superintendent

JTR/dp

Attachments

cc: All Working Interest Owners

DOCKET MAILED

Date 1-11-63

GR

PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 268
Lubbock, Texas
December 17, 1962

File: JET-4468-986.510.1

Subject: Application for Temporary Rules
And Approval of a Non-Standard
Proration Unit - Fowler-Paddock
Gas Pool - Lea County, New Mexico

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir,

Pan American Petroleum Corporation respectfully requests that a hearing be docketed to consider its application for adoption of temporary rules for the Fowler-Paddock Gas Pool, Lea County, New Mexico.

In our opinion, the information available to date regarding this field indicates the necessity for, and we plan to request, the following temporary rules: (1) 320-acre well spacing; (2) all wells drilled or recompleted in the field subsequent to the effective date of the rules to be located no closer than 660' to any outer boundary of the 320-acre proration unit; and (3) optional proration units to consist of either N/2, S/2, E/2, or W/2 of a governmental section.

At the present time the subject field contains three producing gas wells, and in our opinion the establishment of the above rules on a temporary basis will be in the interest of conservation and protection of correlative rights.

One of the three producing wells in this field is Pan American's South Mattix Unit No. 11 located 330' from the east line and 2310' from the north line of Section 22, T-24-S, R-37-E. In order to permit assignment of acreage productive from the Paddock Formation within the South Mattix Unit, it is respectfully requested that the notice of hearing be sufficiently broad to allow consideration of our application for a non-standard proration unit under the above proposed rules to consist of the NE/4, the E/2 of the NW/4 and the N/2 of the SE/4 of Section 22, T-24-S, R-37-E, Lea County, New Mexico, for our South Mattix Unit No. 11,

Yours very truly,

Neil S. Whitmore

Neil S. Whitmore
District Superintendent

JTR/dp

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
E. E. JOHNNY WALKER
MEMBER

STATE SECRETARY
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 871
SANTA FE

13
February 14, 1964

Mr. Guy Dull
Pan American Petroleum Corporation
Post Office Box 1416
Fort Worth, Texas

2742
2743
and
2744
Case No. 2744
Order No. 2-2424, 2-2425, & 2-2426
Applicant:

DOGKET MAILED

Date 2-10-64 Pan American Petroleum Corp.

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

iv/

Carbon copy of order also sent to:

Hobbs OCC X

Artesia OCC

Antec OCC

OTHER Mr. Bill Kastler

DOCKET NO. 6-64

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 19, 1964

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

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

- CASE 2991:** In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Dwight L. Smith and all other interested parties to appear and show cause why the Walker Well No. 1, located 2290 feet from the South line and 500 feet from the East line of Section 21, Township 15 South, Range 11 East, Otero County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.
- CASE 2992:** Application of Consolidated Oil & Gas, Inc., for an unorthodox location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the unorthodox location of their Hoyt Well No. 3-5, located 1850 feet from the North line and 110 feet from the West line of Section 5, Township 26 North, Range 4 West, Blanco Mesa Verde Pool, Rio Arriba County, New Mexico.
- CASE 2993:** Application of Sinclair Oil & Gas Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Southwest Jal Unit Area comprising 6401 acres, more or less, of State, Federal and fee lands in Townships 25 and 26 South, Range 36 East, Lea County, New Mexico.
- CASE 2994:** Application of Skelly Oil Company for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the Gallup formation underlying its Navajo "P" and "M" leases in Sections 25, 26, 33, 34, 35, and 36, Township 32 North, Range 17 West, Many Rocks-Gallup Oil Pool, San Juan County, New Mexico. Initial injection will be through applicant's Navajo "P" Well No. 6 located in Unit P of said Section 35. Applicant further seeks the promulgation of special rules governing the operation of said project.
- CASE 2995:** Application of Deane H. Stoltz for two non-standard oil proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 80-acre non-standard oil proration units in the North Bagley-Upper Pennsylvanian Pool, Lea County, New Mexico, the first to comprise the SE¹/₄ NE¹/₄ and NE¹/₄ SE¹/₄ of Section 12, Township 11 South, Range 33 East, to be dedicated to a well completed in the SE¹/₄ NE¹/₄ of Section 22; the second to comprise the SW¹/₄ NE¹/₄ and the NW¹/₄ SE¹/₄ of

CASE 2995: said Section 22 to be dedicated to a well to be re-entered in the SW/4 NE/4 of said Section 22.
(Cont.)

CASE 2984: (Continued from the February 5th Examiner Hearing)

Application of The Pure Oil Company and Continental Carbon Company to utilize natural gas in a carbon black plant, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to utilize approximately 7 million cubic feet of Morrow gas per day in the Continental Carbon Company carbon black plant near Eunice, New Mexico, said gas to be produced from The Pure Oil Company Wilson Deep Unit Well No. 1, located in the SE/4 NW/4 of Section 13, Township 21 South, Range 34 East, Lea County, New Mexico.

CASE 2996: Application of Nearburg & Ingram for the creation of a new gas pool and for special temporary pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for San Andres production in Sections 10, 11, 12, 13, 14 and 15, Township 8 South, Range 37 East, Roosevelt County, New Mexico, and for the establishment of temporary rules therefor, including provisions for 320 acre spacing.

CASE 2739: (Reopened)

In the matter of Case No. 2739 being reopened pursuant to the provisions of Order No. R-2421, which order established temporary 80-acre proration units for the North Vacuum-Abo Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2740: (Reopened)

In the matter of Case No. 2740 being reopened pursuant to the provisions of Order No. R-2422, which order established temporary 80-acre proration units for the Vacuum-Wolfcamp Oil Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2741: (Reopened)

In the matter of Case No. 2741 being reopened pursuant to the provisions of Order No. R-2423, which order established temporary 80-acre proration units for the Vacuum-Devonian Oil Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2742: (Reopened)

In the matter of Case No. 2742 being reopened pursuant to the provisions of Order No. R-2424, which order established temporary 80-acre oil proration units for the Fowler-Blinbry Oil Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2743: (Reopened)

In the matter of Case No. 2743 being reopened pursuant to the provisions of Order No. R-2425, which order established temporary 320-acre spacing units for the Fowler-Tubb Gas Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 160-acre spacing units.

CASE 2744: (Reopened)

In the matter of Case No. 2744 being reopened pursuant to the provisions of Order No. R-2426, which order established temporary 320-acre spacing units for the Fowler-Paddock Gas Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 160-acre spacing units.

CASE 2997: Application of Socony Mobil Oil Company, Inc., for the abolishment of an existing pool and the creation of two new oil pools, and for special temporary pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for lower Pennsylvanian production in Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, and for the establishment of temporary rules therefor, including provisions for 80-acre units and for the establishment of a gas-oil ratio limitation of 6000 cubic feet of gas per barrel of oil produced. Said pool would be created by the abolishment of the Vacuum-Pennsylvanian Pool in Township 17 South, Range 34 East, and the subsequent creation of the Vacuum Upper Pennsylvanian and Vacuum Lower Pennsylvanian Pools.

CASE 2998: Application of Tenneco Oil Company for a gas well-water injection well, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Central Totah Unit Well No. 24 located in Unit O of Section 11, Township 28 North, Range 13 West, San Juan County, New Mexico, to produce gas from the Basin-Dakota Gas Pool through 1 1/2 inch tubing and to inject water into the Gallup formation, Totah-Gallup Oil Pool, through 2 1/16 inch tubing with separation of the zones by a packer set at 5766 feet.

CASE 2999: Application of Phillips Petroleum Company for two non-standard oil proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of an 80-acre non-standard oil proration unit for each of two pools, the Vacuum Wolfcamp Pool and the North Vacuum Abo Pool, said units to comprise the NW/4 SW/4 and the SW/4 NW/4 of Section 31, Township 17 South, Range 35 East, Lea County, New Mexico, to be dedicated to applicant's Santa Fe Well No. 87, located 2310 feet from the South line and 660 feet from the West line of said Section 31.

CASE 3000: Application of Franklin, Aston & Fair Inc. for the creation of a San Andres Gas Pool and for special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new San Andres Gas Pool comprising all or portions of Sections 22, 23, 25, 26, 27 and 28, Township 7 South, Range 35 East, and the establishment of special pool rules, including 320 acre spacing and fixed well locations, Roosevelt County, New Mexico.

CASE 2979: (Continued from February 5, 1964, Examiner Hearing)

Application of Pan American Petroleum Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation through its U.S.A. Malco Refineries 'G' Well No. 13, located 2302 feet from the South line and 1650 feet from the West line of Section 10, Township 18 South, Range 27 East, Empire Abo Pool, Eddy County, New Mexico.

CLASS OF SERVICE
This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, President

1201 (4-00)

SYMBOLS
DL = Day Letter
NL = Night Letter
IT = International Letter Telegram

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination.

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NEW MEXICO OIL CONSERVATION COMMISSION

FEB 18 AM 8 39

ATTN A L PORTER SANTA FE NMEX

AS AN EXERCISE ORDER IN ORDER CARRON THE
IN ORDER FOR AMERICAN REQUEST FOR ADOPTION OF
PRESENT TEMPORARY RULES OF ORDER R2426 AS PERMANENT
RULES

VAN CANNACK ATLANTIC REFINING CO

22744 22426

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

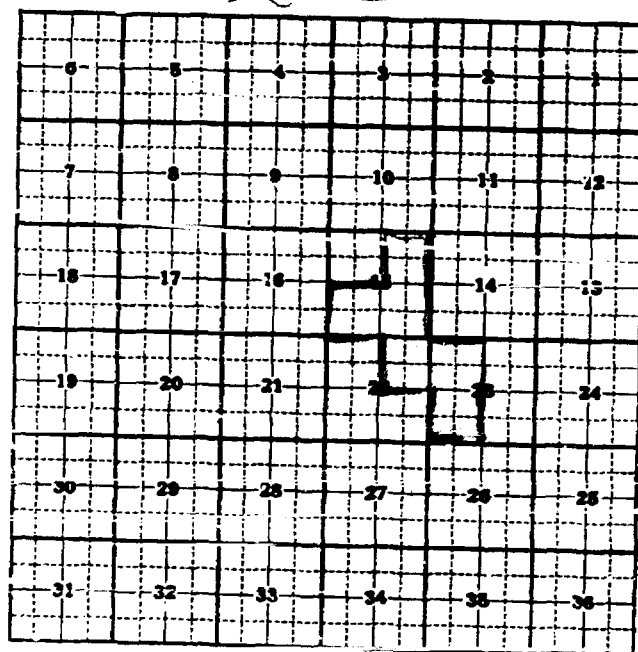
Name

Address

Ph.

Remarks:

*Van-Cannack
Gas*



T R State
or County

2744,

Heard 1-23-63

Res 1-30-63

1. Heavily worn. Some temporary
fixing for the Dents - R. 1839

2. Check N.P. for

with, 6/2 1/2 of N.P. 1839.

3. Use R. 1839 as a guide for the
order.

Thank you

Case 2744

Heard 2-19-64

Rec. 2-26-64

1. Grant Pass Am. permanent 320 A.
spacing for these R-2426, in Fowler
- Paddock - Gas Pool.

Thurs 2/26

**BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO**

**IN THE MATTER OF THE PETROLEUM
CARRIED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:**

**CASE No. 2746
Order No. R-2426**

**APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR SPECIAL POOL RULES FOR
THE FOWLER-PADDOCK GAS POOL AND APPROVAL
OF A NON-STANDARD GAS UNIT, LEA COUNTY,
NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 23, 1963, at Santa Fe, New Mexico, before Elvis A. Uta, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of February, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Uta, 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, is the owner and operator of a well in the Fowler-Paddock Gas Pool, Lea County, New Mexico.

(3) That the applicant seeks the establishment of temporary special rules, including a provision for 320-acre spacing units in the Fowler-Paddock Gas Pool, Lea County, New Mexico.

(4) That the applicant further seeks approval of a non-standard unit comprising the NE/4, E/2 NW/4, and the N/2 SE/4 of Section 22, Township 24 South, Range 37 East, NMPM, Fowler-Paddock Gas Pool, Lea County, New Mexico.

(5) That temporary special rules and regulations establishing 320-acre spacing units should be promulgated for the subject pool in order to prevent the possibility of economic loss resulting from the drilling of unnecessary wells and in order to allow the

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Order No. R-2426

operators in the subject pool to gather information concerning the reservoir characteristics of the pool.

(6) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(7) That the temporary special rules and regulations should be established for a one-year period and that during this one-year period all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(8) That the proposed non-standard unit should be approved and dedicated to the Pan American South Mattix Unit Well No. 11, located in Unit II of said Section 22.

(9) That this case should be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool should appear and show cause why the Fowler-Paddock Gas Pool should not be developed on 160-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That special rules and regulations for the Fowler-Paddock Gas Pool are hereby promulgated as follows, effective March 1, 1963.

**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.

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 shall have authority to 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:

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Order No. R-2426

- (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 any part of 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, after a period of 30 days, no such operator has entered an objection to the formation of such non-standard unit.

RULE 4. Each well completed or recompleted in the Fowler-Paddock Gas Pool shall be located no nearer than 990 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.

IT IS FURTHER ORDERED:

(1) That a non-standard unit comprising the NE/4, E/2 NW/4, and the N/2 SE/4 of Section 22, Township 24 South, Range 37 East, NMPM, Fowler-Paddock Gas Pool, Lea County, New Mexico, is hereby approved and dedicated to the Pan American South Mattix Unit Well No. 11, located in Unit H of said Section 22. The operator shall file a Form C-128 showing the dedication of acreage with the Hobbs District Office on or before March 1, 1963.

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CASE No. 2744
Order No. 3-2426

(2) That any well presently drilling to or completed in the ~~subject~~ formation within the Fowler-Paddock Gas Pool or within one mile of the Fowler-Paddock Gas Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of Rule 4. The operator shall notify the Mining District Office in writing of the name and location of the well on or before March 1, 1963.

(3) That any operator desiring to dedicate 320 acres to a well presently drilling or completed in the Fowler-Paddock Gas Pool shall file a new Form C-128 with the Commission on or before March 1, 1963.

(4) That this case shall be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool may appear and show cause why the Fowler-Paddock Gas Pool should not be developed on 160-acre spacing units.

(5) 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. C. HAYWOOD
E. C. HAYWOOD, Member
A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

esr/

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
C. S. JENNIFER WALKER
MEMBER

P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

March 13, 1964

Mr. Paul Gester
Atwood & Malone
Attorneys at Law
Box 700
Roswell, New Mexico

Re: Case No. 2742
2743
2744
Order No. N-2423-A, N-2423-A, &
Applicant: N-2423-A
PAN AMERICAN PETROLEUM CORP.

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ix/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Astec OCC

OTHER Mr. Ron Jacobs

**BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO**

**IN THE MATTER OF THE HEARING
CAUSED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:**

**CASE No. 3744
ORDER No. R-2426-A**

**APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR SPECIAL POOL RULES FOR
THE FOWLER-PADDOCK GAS POOL AND APPROVAL
OF A NON-STANDARD GAS UNIT, LRA COUNTY,
NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 19, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Witz.

NOW, on this 13th 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 by Order No. R-2426 dated February 13, 1963, temporary Special Rules and Regulations were promulgated for the Fowler-Paddock Gas Pool.

(3) That pursuant to the provisions of Order No. R-2426, this case was reopened to allow the operators in the subject pool to appear and show cause why the Fowler-Paddock Gas Pool should not be developed on 160-acre spacing units.

(4) That the evidence establishes that one well in the Fowler-Paddock Gas Pool can efficiently and economically drain and develop 320 acres.

(5) That 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

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CASE No. 7744
Order No. N-3426-A

two gas wells, and to otherwise prevent waste and protect conservation rights, the special rules and regulations promulgated by Order No. N-3426 should be continued in full force and effect until further order of the Commission.

(2) That the special rules and regulations promulgated by Order No. N-3426 have affected and will afford to the owner of such property in the pool the opportunity to produce his just and equitable share of the gas in the pool.

IT IS THEREFORE ORDERED:

(1) That the special rules and regulations governing the Fowler-Paddock Gas Pool promulgated by Order No. N-3426 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


Jack M. Campbell
JACK M. CAMPBELL, Chairman

E. C. Walker
E. C. WALKER, Member

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

esr/

DRAFT

JMD/esr
February 5, 1963

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. 2744

Order No. R-2426

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR SPECIAL POOL RULES AND
APPROVAL OF A NON-STANDARD GAS UNIT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 23, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this _____ day of February, 1963, 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, is the owner and operator of a well in the Fowler-Paddock Gas Pool, Lea County, New Mexico.

(3) That the applicant seeks the establishment of temporary special rules, including a provision for 320-acre spacing units in the Fowler-Paddock Gas Pool, Lea County, New Mexico.

(4) That the applicant further seeks approval of a non-standard ~~unit~~ ^{spacing unit} comprising the NE/4, E/2 NW/4, and the N/2 SE/4 of Section 22, Township 24 South, Range 37 East, NMPM, Fowler-Paddock Gas Pool, Lea County, New Mexico.

(5) That temporary special rules and regulations establishing 320-acre spacing units should be promulgated for the subject pool in order to prevent the possibility of economic loss ^{resulting} ~~being~~.

from caused by the drilling of unnecessary wells and in order to allow the operators in the subject pool to gather information concerning the ~~area that can be efficiently and economically drained by one well.~~ *reservoir characteristics of the pool.*

(6) That the temporary special rules and regulations should provide for ~~fixed~~ *limited* well locations in order to assure orderly development of the pool and protect correlative r. lts.

(7) That ~~the~~ *the* temporary special rules and regulations for the Fowler-Paddock Gas Pool should be established for a one-year period and that during this one-year period all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(8) That ~~a non-standard gas-proration unit comprising the NE/4, E/2 NW/4, and the N/2 SE/4 of Section 22, Township 24 South, Range 37 East, NMPM, Fowler-Paddock Gas Pool, Lea County, New Mexico,~~ *the proposed* should be approved and dedicated to the Pan American-South Mattix Unit Well No. 11, located in Unit H of said Section 22.

(9) That this case should be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool should appear and show cause why the Fowler-Paddock Gas Pool should not be developed on 160-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That a non-standard ~~gas-proration unit~~ comprising the NE/4, E/2 NW/4, and the N/2 SE/4 of Section 22, Township 24 South, Range 37 East, NMPM, Fowler-Paddock Gas Pool, Lea County, New Mexico, is hereby ~~established.~~ *approved* ~~Said unit shall be dedicated to~~ *and* ~~the Pan American-South Mattix/Well No. 11, located in Unit H of said Section 22.~~ *Unit* ~~The operator shall file a Form C-128 showing the~~

dedication of acreage with the Hobbs District Office on or before March 1, 1963.
(1) That temporary special rules and regulations for the Fowler-Paddock Gas Pool are hereby promulgated as follows, effective March 1, 1963.

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.

RULE 2. (a) Each well completed or recompleted in the Fowler-Paddock Gas Pool shall be located on a ^{standard unit containing} ~~tract containing~~ 320 acres, more or less, ^{consisting of the N/2, S/2, E/2 or W/2} ~~and comprising any two contiguous~~ quarter sections of a single governmental section, being a ~~legal subdivision (half section) of the United States Public Lands Survey.~~

Rule 3 (b) The Secretary-Director shall have authority to grant an exception to ^{the requirements of} Rule 2(a) without notice and hearing ^{for a non standard unit and the} ~~where~~ an application has been filed ^{in due form and where the} ~~unorthodox size or shape of the tract is due to a variation in~~ the legal subdivision of the United States Public Lands Survey, ^{or} ~~or is necessitated by the recompletion of a well previously completed in another formation, or where~~ the following facts exist and the following provisions are complied with:

(1) The non-standard unit consists of ~~contiguous~~ quarter-quarter sections or lots ^{that are contiguous by a common bounding line.}

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

(3) The ~~entire non-standard unit~~ may reasonably be presumed to be productive of gas from the Fowler-Paddock Gas Pool.

(4) (a) 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 any part of the non-standard unit is situated and which acreage is not included in said non-standard unit.

(c) In lieu of Paragraph (b) 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, after a period of 30 days, no such operator has entered an objection to the formation of such non-standard unit.

~~RULE 4. Each well completed or recompleted in the Fowler-Paddock Gas Pool shall be located within 160 acres of the center of a governmental quarter-quarter section.~~

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.

It is further Ordered:

(1) That any well presently drilling to or completed in the Paddock formation within the Fowler-Paddock Gas Pool or within one mile of the Fowler-Paddock Gas Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of Rule 4.

(2) That this case shall be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool may appear and show cause why the Fowler-Paddock Gas Pool should not be developed on 160-acre spacing units.

(3) That any operator desiring to dedicate 320 acres to a well presently drilling or completed in the Fowler-Paddock Gas Pool shall file New Form C-128 with the Commission on or before March 1, 1963.

no nearer than 90 feet to the boundary of the quarter section and no nearer than 30 feet to any governmental quarter-quarter section line.

(1) The operator notified the Paddock District Office in writing of the name and location of the well on or before March 1, 1963.

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CASE No. 2744

(5) 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.

DRAFT

320/100

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. 2744

Order No. R- 2426-A

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR SPECIAL POOL RULES FOR
THE FOWLER-PADDOCK GAS POOL AND APPROVAL
OF A NON-STANDARD GAS UNIT, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 13, 1964, at Santa Fe, New Mexico, before Examiner Elmer A. Doe, ~~Examiner~~ Elmer A. Doe appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the Commission, in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this March day of February, 1964, the Commission, a quorum being present, having considered the application, ~~the testimony~~, the record, ~~the evidence adduced~~, 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-2426 dated February 13, 1963, temporary special rules and regulations were promulgated for the Fowler-Paddock Gas Pool.

(3) That pursuant to the provisions of Order No. R-2426, this case was reopened to allow the operators in the subject pool to appear and show cause why the Fowler-Paddock Gas Pool should not be developed on 160-acre spacing units.

(4) That the evidence establishes that one well in the Fowler-Paddock Gas Pool can efficiently and economically drain and develop 320 acres.

(4) That to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the segmentation of risk arising from the drilling of an excessive number of wells, to ~~prevent~~ 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. 2-2426 should be continued in full force and effect until further order of the Commission.

(5) That the special Rules and Regulations promulgated by Order No. 2-2426 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 gas in the pool.

IT IS THEREFORE ORDERED:

(1) That the special Rules and Regulations governing the Fowler-Paddock Gas Pool promulgated by Order No. 2-2426 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.