

CASE 2902: Application of PIONEER  
PROD. CORP. for compulsory pooling,  
co.

Dismissed  
at request of applicant  
at order

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 25, 1963

9:00 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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

- CASE 2883: (Continued from the August 21st examiner hearing)  
Application of Pan American Petroleum Corporation for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a Tubb gas, Blinebry oil and Paddock gas triple completion, Fowler Field, at an unorthodox location for the Fowler Blinebry Oil Pool 990 feet from the South line and 1650 feet from the East line of Section 15, Township 24 South, Range 37 East, Lea County, New Mexico.
- CASE 2901: Application of Pan American Petroleum Corporation for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to drill its SMU Well No. 17 at an unorthodox location 1980 feet from the North line and 1980 feet from the East line of Section 15, Township 24 South, Range 37 East, Fowler Ellenburger Pool, Lea County, New Mexico.
- CASE 2902: Application of Pioneer Production Corporation for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Blanco Mesaverde and Basin-Dakota Gas Pools underlying the S/2 of Section 28, Township 30 North, Range 12 West, San Juan County, New Mexico.
- CASE 2903: Application of Coastal States Gas Producing Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Gulf State Well No. 1, located in Unit F of Section 20, Township 17 South, Range 36 East, Lea County, New Mexico, to produce oil from the Double-A Abo Pool and an undesignated Lower Leonard pool through parallel strings of tubing.
- CASE 2904: Application of Coastal States Gas Producing Company for the creation of a new Abo Pool and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Abo production in Sections 15 and 16, Township 9 South, Range 33 East, Lea County, New Mexico, and for the establishment of temporary rules therefor, including provisions for 80-acre spacing and fixed well locations.
- CASE 2905: Application of Robert N. Enfield for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Indian Basin Unit Area comprising 4,278.29 acres of Federal, State and fee lands in Township 21 South, Range 23 East, Eddy County, New Mexico.
- CASE 2906: Application of Western Oil Fields, Inc. for a quadruple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the quadruple completion (tubingless) of its Gulf Hill No. 4 located in Unit S of Section 4, Township 21 South, Range 37 East, Lea County, New Mexico, to produce oil from the Penrose-Skelly, Tubb, Drinkard and Wantz Abo

Pools, through parallel strings of 2 7/8 inch casing cemented in a common well bore.

CASE 2907: Application of Penroc Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Indian Hills-Upper Pennsylvanian Gas Pool underlying Section 19, Township 21 South, Range 24 East, Eddy County, New Mexico.

CASE 2908: Application of Penroc Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Morrow section of the Pennsylvanian formation underlying Section 19, Township 21 South, Range 24 East, Indian Hills Field, Eddy County, New Mexico.

CASE 2909: Application of Sinclair Oil & Gas Company for the extension of a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Grayburg-Jackson Waterflood Project, Grayburg Jackson Pool, Eddy County, New Mexico, by the injection of water into 7 additional wells located in Sections 3, 4, 5, 8, 9, and 10, Township 17 South, Range 31 East. Applicant further seeks an administrative procedure for further expansion of the project by the conversion to water injection of 30 additional wells in three 6-month stages commencing in early 1964, said wells to be located in Sections 3, 5, 6, 7, 8, 9 and 10 of said township.

CASE 2910: Application of Big (6) Drilling Company for extension of an existing oil pool and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the Scharb Bone Spring Oil Pool to comprise the W/2 of Section 5, all of Section 6, and the N/2 of Section 7, Township 19 South, Range 35 East, Lea County, New Mexico, and for special rules therefor, including 80-acre spacing and proration units to comprise any two contiguous 40-acre tracts, and for fixed well locations.

2901

# PAN AMERICAN PETROLEUM CORPORATION

*For King  
Lester*

P. O. Box 268  
Lubbock, Texas 79401  
August 16, 1963

File: JET-4290-986.510.1

Subject: Application of Pan American  
Petroleum Corporation For An  
Exception to the Fowler  
(Ellenburger) Pool Rules for  
Its South Mattix Unit Well No. 17  
Lea County, New Mexico

Mr. A. L. Porter Jr. (3)  
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 approval of an unorthodox location in the Fowler (Ellenburger) Pool for its SMU Well No. 17, to be located 1980' from the north line and 1980' from the east line of Section 15, T-24-S, R-37-E. It will be appreciated if this hearing is scheduled at the earliest possible date after September 6.

Pan American will present testimony in support of and requesting that the subject well be classified as a companion well with the SMU Well No. 9, and that the two wells be assigned an 80-acre production unit comprising the W/2 of the NE/4 of said Section 15. The SMU Well No. 9, located at a standard location 660' from the north line and 1980' from the east line of Section 15 is currently completed in and producing from the Ellenburger.

The SMU Well No. 17 will be dually completed with the Fowler Blinbry Oil Pool; however, request for approval of the dual completion will be made administratively since it is not the first dual in these formations within the subject fields.

Attached is a plat of the area reflecting ownership of adjoining leases and the location of the subject well.

Yours very truly,

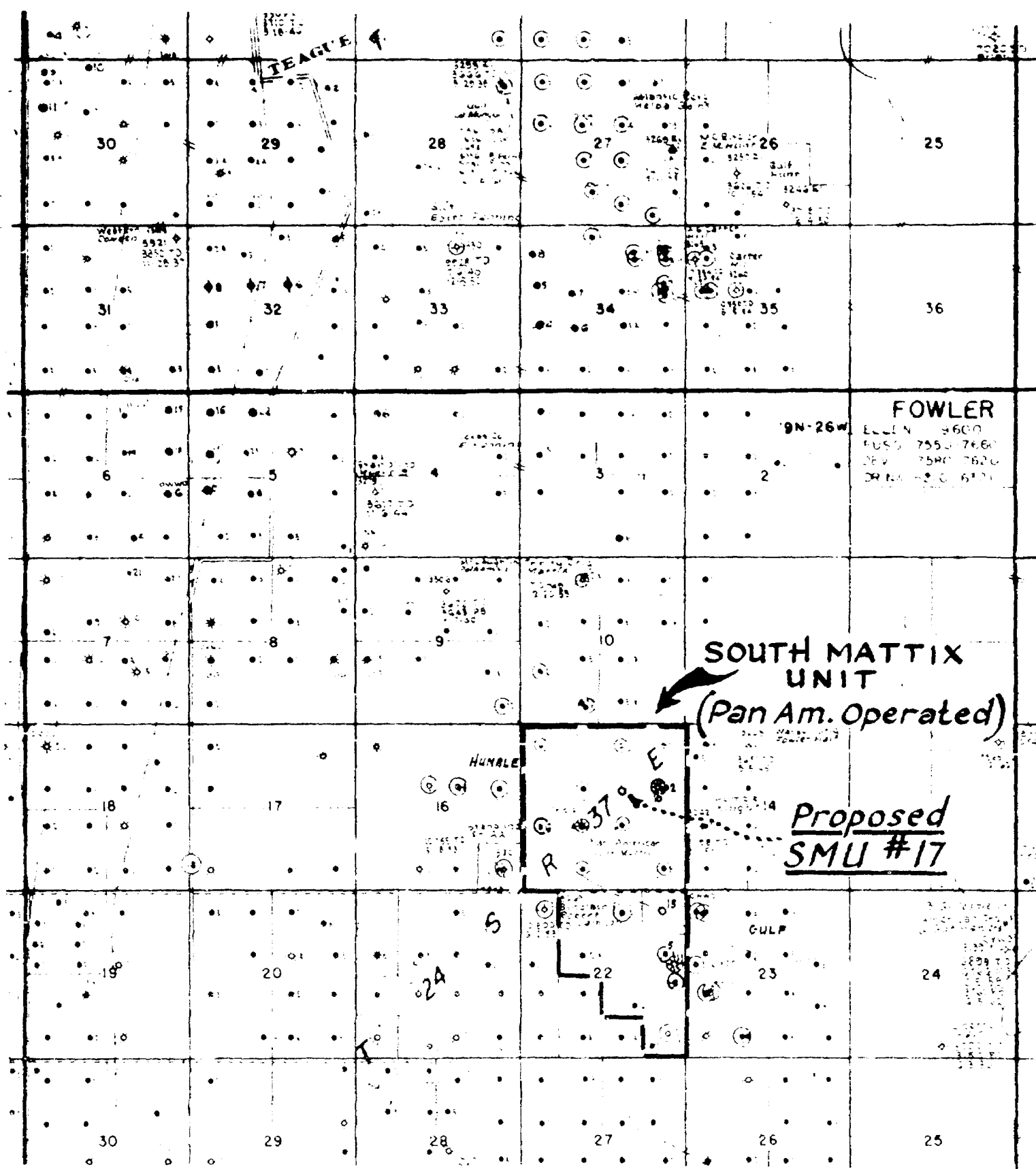
Neil S. Whitmore  
District Superintendent

DOCKET MAILED

JTR:jb  
Attachment

Date 9/13/63  
*me*

202901



# PAN AMERICAN PETROLEUM CORPORATION

1 1000 10 10

P. O. Box 268  
Lubbock, Texas 79401  
August 16, 1963

*2901*

File: JET-4290-986.510.1

Subject: Application of Pan American  
Petroleum Corporation For An  
Exception to the Fowler  
(Ellenburger) Pool Rules for  
Its South Mattix Unit Well No. 17  
Lea County, New Mexico

Mr. A. L. Porter Jr. (3)  
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 approval of an unorthodox location in the Fowler (Ellenburger) Pool for its SMU Well No. 17, to be located 1980' from the north line and 1980' from the east line of Section 15, T-24-S, R-37-E. It will be appreciated if this hearing is scheduled at the earliest possible date after September 6.

Pan American will present testimony in support of and requesting that the subject well be classified as a companion well with the SMU Well No. 9, and that the two wells be assigned an 80-acre pro-ration unit comprising the W/2 of the NE/4 of said Section 15. The SMU Well No. 9, located at a standard location 660' from the north line and 1980' from the east line of Section 15 is currently completed in and producing from the Ellenburger.

The SMU Well No. 17 will be dually completed with the Fowler Blinbry Oil Pool; however, request for approval of the dual completion will be made administratively since it is not the first dual in these formations within the subject fields.

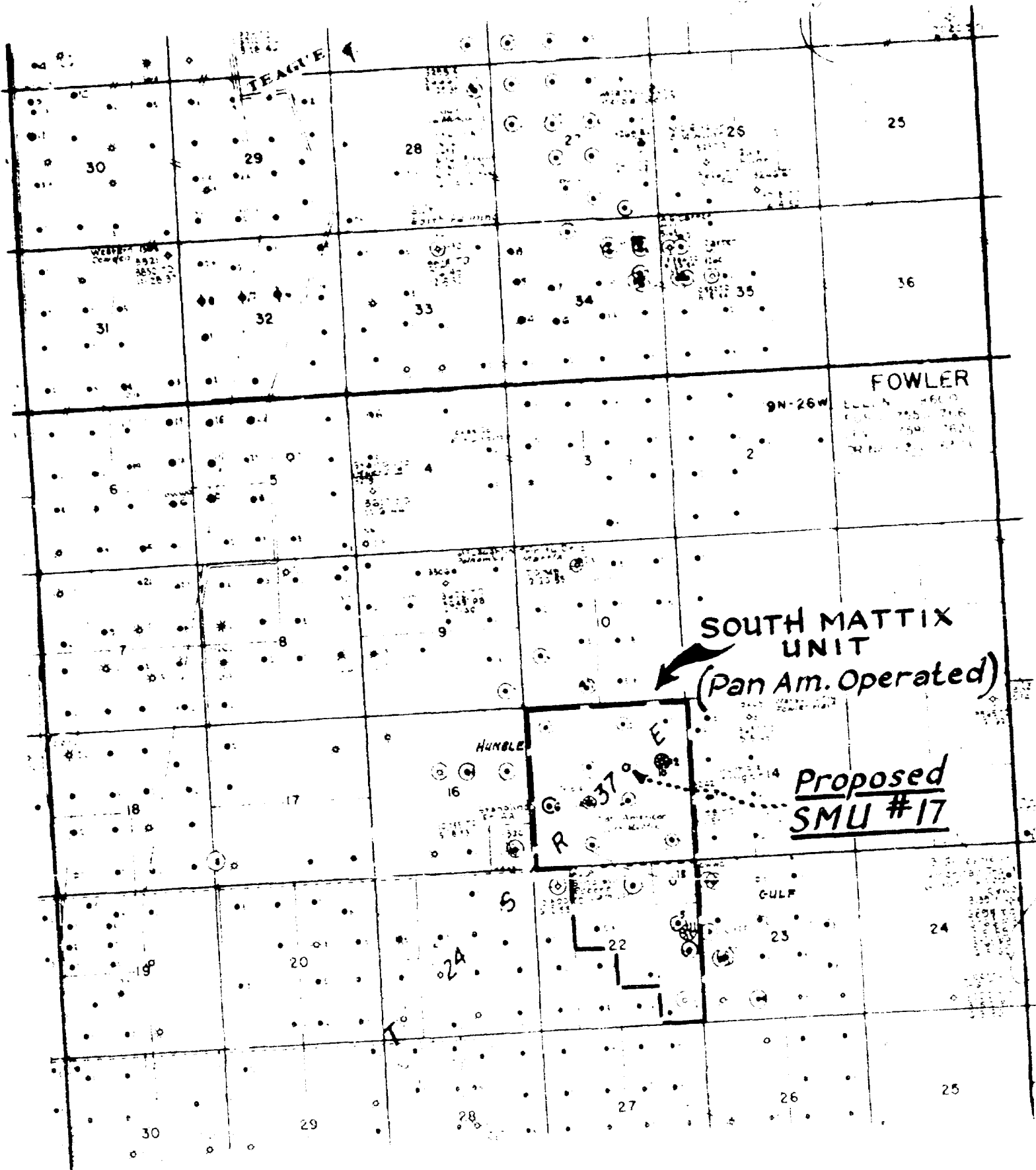
Attached is a plat of the area reflecting ownership of adjoining leases and the location of the subject well.

Yours very truly,

*Neil S. Whitmore*  
Neil S. Whitmore  
District Superintendent

JTR:jb  
Attachment

202901



ATWOOD & MALONE  
LAWYERS

MAIN OFFICE OCC (1883-1960)

1963 SEP 23 AM 8:29

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

CHARLES F. MALONE  
RUSSELL D. MANN  
PAULA COOPER  
BOB T. TURNER  
ROBERT A. JOHNSON

September 10, 1963

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

RE: Docket of September 25, 1963  
Case No. 2901.

Gentlemen:

We enclose herewith our Entry of Appearance as local counsel for  
Pan American Petroleum Corporation in Case No. 2901, on the  
docket of the Oil Conservation Commission for September 25, 1963.

Very truly yours,



for ATWOOD & MALONE

PC/tc

Enclosure

cc: J. K. Smith, Esquire



MAIN OFFICE OCC

1963 SEP 23 AM 8:29

BEFORE THE OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF PAN AMERICAN PETROLEUM COR-  
PORATION FOR DUAL COMPLETION,  
LEA COUNTY, NEW MEXICO.

)  
)  
)  
)  
)  
No. 2901

ENTRY OF APPEARANCE

The undersigned, Atwood & Malone, of Roswell, New Mexico, a firm of attorneys, all of whose members are duly licensed to practice law in the State of New Mexico, hereby enters its appearance as local counsel with Guy Buell, Esquire, of the Texas Bar, appearing for Pan American Petroleum Corporation in the above styled cause.

DATED at Roswell, New Mexico, this 20th day of September, 1963.

ATWOOD & MALONE

By 

Post Office Drawer 700  
Roswell, New Mexico

# Memo

From  
D. S. NUTTER  
CHIEF ENGINEER

To Ada Dearnley

Please have your  
reporter return the  
copy of Gulf Oil  
Corporation's letter  
regarding Case 2901  
as soon as possible.  
He borrowed this  
at the hearing on  
Sept 25<sup>th</sup>.  
Jen

# Gulf Oil Corporation

ROSWELL PRODUCTION DISTRICT

1963 SEP 19 PM 1:25 P. O. Drawer 1938  
Roswell, New Mexico

September 18, 1963

W. B. Hopkins  
DISTRICT MANAGER  
M. I. Taylor  
DISTRICT PRODUCTION  
MANAGER  
F. O. Mortlock  
DISTRICT EXPLORATION  
MANAGER  
H. A. Rankin  
DISTRICT SERVICES MANAGER

Oil Conservation Commission  
State of New Mexico  
Post Office Box 871  
Santa Fe, New Mexico 87501

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

Re: Case 2901 Scheduled for Examiner  
Hearing September 25, 1963

Gentlemen:

Reference is made to the subject case concerning Pan American Petroleum Corporation's application for an unorthodox location for its SMU Well No. 17 located 1980 feet from the north line and 1980 feet from the east line of Section 15, Township 24 South, Range 37 East, Fowler Ellenburger Pool, Lea County, New Mexico. The case, as advertised, does not indicate the amount of acreage to be dedicated to this unorthodox location.

Please be advised that Gulf Oil Corporation, as an Operator in the Fowler Ellenburger Pool, has no objections to the unorthodox location provided that it receives only one-half of an 80-acre allowable. We do object if it is to receive more than one-half of an 80-acre allowable for the following reasons:

- (1) Pan American's SMU Well No. 10, located in Unit H, Section 15, Township 24 South, Range 37 East, was drilled and completed as a standard location in this pool. The last production was in February, 1956 after recovering a total of 26,042 barrels of oil. This well was abandoned and recompleted later in the Paddock Gas Pool. In our opinion, this 40 acres cannot be attributed to the SMU Well No. 17 because it has been drained and no longer productive.
- (2) The SMU Well No. 9, located in Unit B of Section 15, Township 24 South, Range 37 East, is a standard location for the pool. This well is now a marginal producer and has produced 167,692 barrels through June, 1963. The June, 1963 production was 720 barrels of oil and 191 barrels of water (production figures taken from the New Mexico Oil and Gas Engineering Committee Report), therefore, this 40 acres is practically drained and should not be attributed to another well.
- (3) The proposed SMU Well No. 17 is directly offset to the west and south by top allowable wells, therefore, this acreage is already dedicated and no doubt is not planned for dedication to Well No. 17.

In view of the above, Gulf feels that 40 acres is all that can reasonably be dedicated to the SMU Well No. 17; therefore, one-half of an 80-acre allowable is the maximum allowable that should be granted.

Yours very truly,

M. I. Taylor



JHH:sz

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 10/17/63

CASE 2901

Hearing Date 9 am 9/25/63  
San @ SF

My recommendations for an order in the above numbered cases are as follows:

Enter an order approving the unorthodox Fowler Ellenburger location Pan Am seeks in this case for its South Matlip Unit Well No 17. Location is 1980' FNL & 1980' FEL Sec 15, Twp 24S, Rge 37 E, Lea County.

Require that the  $\frac{1}{2}$  NE  $\frac{1}{4}$  of Sec 15 and to SMU No 9, loc in Unit B of Sec 15 be dedicated to the well, and that said 80 acre unit shall receive an 80-acre allowance which may be produced from either well in any proportion provided however that S.M.U. No 9 shall be kept on maximum production until it reaches its economic limit. Provided further that prior to <sup>shutting in or</sup> abandoning said well a statement of the economics of operating the same shall be submitted to the Secy Dir of the Conservation Commission for his approval.

GOVERNOR  
JACK M. CAMPBELL  
CHAIRMAN

State of New Mexico  
**Oil Conservation Commission**



P. O. BOX 871  
SANTA FE

LAND COMMISSIONER  
E. S. JOHNNY WALKER  
MEMBER

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

October 18, 1963

Mr. Guy Buell  
Pan American Petroleum Corporation  
Post Office, Box 1410  
Fort Worth, Texas

Re:

Case No. 2901

Order No. R-2579

Applicant:

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. M. I. Taylor (.Gulf Oil Corp.)

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. 2901  
Order No. R-2579

APPLICATION OF PAN AMERICAN PETROLEUM  
CORPORATION FOR AN UNORTHODOX LOCATION,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 25, 1963, at Santa Fe, New Mexico, before Daniel S. Mutter, 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 18<sup>th</sup> day of October, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Mutter, 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 authority to drill its SMU Well No. 17 at an unorthodox location in the Fowler-Ellenburger Pool 1980 feet from the North line and 1980 feet from the East line of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to dedicate the W/2 NE/4 of said Section 15 to the proposed well and to its SMU Well No. 9 located in Unit B of said Section 15, a marginal well, and to produce any proportion of the 80-acre allowable from either well at the applicant's discretion.

(4) That approval of the unorthodox location should result in more efficient drainage of the W/2 NE/4 of said Section 15, thereby preventing waste.

-2-

CASE No. 2901  
Order No. R-2579

(5) That to prevent waste and to protect correlative rights, the applicant should be required to produce its SMU Well No. 9 at its maximum capacity until said well reaches the economic limit of production.

IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby authorized to drill its SMU Well No. 17 at an unorthodox location in the Fowler-Ellenburger Pool 1980 feet from the North line and 1980 feet from the East line of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That the W/2 NE/4 of said Section 15 shall be dedicated to the applicant's SMU Well No. 17 and to the SMU Well No. 9 located in Unit B of said Section 15.

(2) That the applicant is hereby authorized to produce the 80-acre allowable assigned to the W/2 NE/4 of said Section 15 from either well.

PROVIDED HOWEVER, That the applicant's SMU Well No. 9 shall be produced at its maximum capacity until it reaches the economic limit of production, and that the applicant shall not shut in or abandon said well until a statement establishing that the well has reached the economic limit of production has been submitted to and approved by the Secretary-Director of the Commission.

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

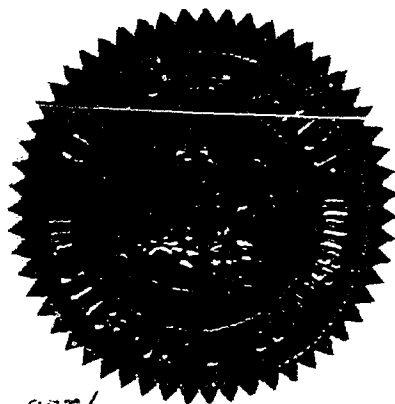
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Jack M. Campbell*  
JACK M. CAMPBELL, Chairman

*E. S. Walser*  
E. S. WALSER, Member

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



esr/

DRAFT

JMD/esr  
Oct. 17, 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. 2901

Order No. R-2579

APPLICATION OF PAN AMERICAN PETROLEUM  
CORPORATION FOR AN UNORTHODOX LOCATION,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 25, 1963, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 October, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 authority to drill its SMU Well No. 17 at an unorthodox location in the Fowler-Ellenburger Pool 1980 feet from the North line and 1980 feet from the East line of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to dedicate the W/2 NE/4 of said Section 15 to the proposed well and to its SMU Well No. 9 located in Unit B of said Section 15, and to produce any proportion of the 80-acre allowable from either well at the applicant's discretion.



(4) That approval of the unorthodox location should result in more efficient drainage of the W/2 NE/4 of said Section 15, thereby preventing waste

(5) That ~~in order~~ <sup>to prevent waste and</sup> to protect correlative rights, the applicant should be required to produce its SMU Well No. 9 at its maximum capacity until said well reaches the economic limit of production.

IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby authorized to drill its SMU Well No. 17 at an unorthodox location in the Fowler-Ellenburger Pool 1980 feet from the North line and 1980 feet from the East line of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That the W/2 NE/4 of said Section 15 shall be dedicated to the applicant's SMU Well No. 17 and to the SMU Well No. 9 located in Unit B of said Section 15.

(2) That the applicant is hereby authorized to produce the 80-acre allowable assigned to the W/2 NE/4 of said Section 15 from either well. ~~in any proportion that the applicant desires.~~

PROVIDED HOWEVER, That the applicant's SMU Well No. 9 shall be produced at its maximum capacity until it reaches ~~its~~ economic limit of production, and that the applicant shall not shut in or abandon said well until a statement establishing that the well has reached ~~the~~ economic limit of production has been submitted to and approved by the Secretary-Director of the Commission.

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

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

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

March 10, 1965

C  
O  
P  
Y  
  
Pan American Petroleum Corporation  
Post Office Box 68  
Hobbs, New Mexico

Attention: Mr. V. E. Staley

Gentlemen:

Reference is made to your letter of March 3, 1965, wherein you advise that your South Mattix Unit Well No. 9 has declined in production to a current daily rate of three barrels of oil and seven barrels of water.

Pursuant to the provisions of Order No. R-2579, you are hereby authorized to take said well off production, and to produce the entire allowable for the proration unit from the other well, your South Mattix Unit Well No. 17.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

cc: Mr. Joe D. Ramey  
Oil Conservation Commission  
Hobbs, New Mexico

Case File 2901

# PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68  
Hobbs, New Mexico

March 3, 1965

File: VES-56-400.1

Subject: Fowler Ellenburger Pool  
Case No. 2901  
Order No. R-2579


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

Dear Sir:

This has reference to Order No. R-2579 dated October 18, 1963, which authorized drilling South Mattix Unit No. 17 at an unorthodox location.

In compliance with Item (2) of Order R-2579, this is to advise that the current production of South Mattix Unit No. 9 is 3 BOPD and 7 BWP, and all fluids are being effectively removed from the well bore. Pan American Petroleum Corporation considers this production is below the economic limit and requests approval to cease production from the South Mattix Unit No. 9.

Yours very truly,

  
V. E. Staley  
Area Superintendent

*Handwritten note:*  
The above information was obtained from the  
South Mattix Unit No. 9 and is being furnished  
to you for your information. The production  
from this unit is being monitored and will  
be reported to you as soon as it is available.

# Gulf Oil Corporation

ROSWELL PRODUCTION DISTRICT

1963 SEP 19 PM 1:25  
P. O. Box 1438  
Roswell, New Mexico

September 10, 1963

W. H. THOMPSON  
Vice President  
M. J. LLOYD  
General Counsel  
F. D. MORTON  
Assistant General Counsel  
H. A. BAKER  
Assistant General Counsel

Oil Conservation Commission  
State of New Mexico  
Post Office Box 371  
Santa Fe, New Mexico 87501

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

Re: Case 2901 Schedule for Hearing  
Hearing September 23, 1963

Gentlemen:

Reference is made to the subject case concerning Pan American Petroleum Corporation's application for an unorthodox location for its MU Well No. 17 located 12 1/2 feet from the north line and 190 feet from the east line of Section 15, Township 4 North, Range 17 East, Fowler-Hillbarger Pool, Col. County, New Mexico. The case, as advertised, does not indicate the amount of acreage to be dedicated to this unorthodox location.

Please be advised that Gulf Oil Corporation, as an operator in the Fowler-Hillbarger Pool, has no objection to the amount of land provided that it receives only one-half of the acreage allowable. We object if it is to receive more than one-half of the acreage allowable for this pool.

- (1) Pan American's MU Well No. 10, located in Unit 1, Section 15, Township 4 North, Range 17 East, was drilled and completed as a standard location in this pool. The last production was in February, 1956 after receiving a total of 26,742 barrels of oil. This well was abandoned and completed last in the 2400 acre gas pool. In our opinion, this 1/2 acre cannot be attributed to the MU Well No. 17 because it has been drained and is no longer productive.
- (2) The MU Well No. 17, located in Unit 3 of Section 15, Township 4 North, Range 17 East, is a standard location in the pool. This well is a marginal producer and has produced 17,171 barrels through June, 1963. The June, 1963 production was 125 barrels of oil and 191 barrels of water (production figures taken from the New Mexico Oil and Gas Engineering Committee Report); therefore, this well is producing oil and should not be attributed to the gas pool.
- (3) The MU Well No. 17 is directly adjacent to the west end boundary line of the 2400 acre gas pool. It is a marginal producer and is not producing oil.

In view of the above, we believe that the MU Well No. 17 should be included in the 2400 acre gas pool and that the MU Well No. 10 should be included in the 2400 acre gas pool.



**DEARNLEY-MEIER REPORTING SERVICE, Inc.**

FARMINGTON, N. M.  
PHONE 325-1182

SANTA FE, N. M.  
PHONE 883-3971

ALBUQUERQUE, N. M.  
PHONE 243-6691

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
September 25, 1963

EXAMINER      HEARING

IN THE MATTER OF:

Application of Pan American Petroleum Corporation for an unorthodox location, Lea County, New Mexico, seeking permission to drill its SMU Well No. 17 at an unorthodox location 1980 feet from the North line and 1980 feet from the East line of Section 15, Township 24 South, Range 37 East, Fowler Ellenburger Pool, Lea County, New Mexico

Case No. 2901

BEFORE:      DANIEL S. NUTTER,      EXAMINER

TRANSCRIPT OF HEARING

DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
September 25, 1963

EXAMINER HEARING

IN THE MATTER OF:

Application of Pan American Petroleum  
Corporation for an unorthodox location,  
Lea County, New Mexico, seeking per-  
mission to drill its SMU Well No. 17  
at an unorthodox location 1980 feet from  
the North line and 1980 feet from the  
East line of Section 15, Township 24  
South, Range 37 East, Fowler Ellenburger  
Pool.

CASE NO. 2901

BEFORE: DANIEL S. NUTTER, Examiner for the Commission

TRANSCRIPT OF HEARING

MR. NUTTER: We will call next case, 2901.

MR. DURRETT: Application of Pan American Petroleum  
Corporation for an unorthodox location, Lea County, New Mexico.

MR. BUELL: For Pan American Petroleum Corporation, Guy  
Buell. We have one witness, Mr. Rogers. Apparently, there are no  
other appearances.



(Witness sworn)

MR. BUELL: At the outset, Mr. Examiner, I might point out there have been three recent cases involving this same pool, which, I think, are pertinent and germane to this record. I would like to move at this time that Case Number 2676 and Case Number 2556 both on the application of Gulf, and Case 2854 on the application of Pan American, be incorporated into this hearing, which reference- -

MR. NUTTER: What were the numbers of those cases again, please?

MR. BUELL: 2556, 2676 and 2854. The first two on the application of Gulf and the latter one on the application of Pan American.

MR. NUTTER: Is there objection to the incorporation of Cases 2556, 2676 and 2854 in the record of this case? The record will be so incorporated.

MR. BUELL: Mr. Examiner, if I may, I would also like reverse procedure here just a little and inquire if there are any expressions of opposition in the file of the Commission to our application, and if there are, I wonder if we could read that expression at the outset instead of at the close. It is entirely possible that through questions of Mr. Rogers I may be able to answer some of the points that they bring up, rather than have to answer them at the end in my unsworn statement.

MR. NUTTER: We have an application for - - from Pan



American. We have a letter from Gulf.

MR. BUELL: I would be expecting that.

MR. NUTTER: Letter from Gulf, dated September 18, 1963,  
read as follows:

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

Gentlemen:

Re: Case 2901

Reference is made to the subject case concerning Pan American Petroleum Corporation's application for an unorthodox location for its SMU Well No. 17, located 1980 feet from the north line and 1980 feet from the east line of Section 15, Township 24 South, Range 37 East, Fowler Ellenburger Pool, Lea County, New Mexico. The case, as advertised, does not indicate the amount of acreage to be dedicated to this unorthodox location.

Please be advised that Gulf Oil Corporation, as an Operator in the Fowler Ellenburger Pool, has no objections to the unorthodox location provided that it receives only one-half of an 80-acre allowable. We do object if it is to receive more than one-half of an 80-acre allowable for the following reasons:

- (1) Pan American's SMU Well No. 10, located in Unit H, Section 15, Township 24 South, Range 37 East, was drilled and completed as a standard location in this pool. The last production was in February, 1956 after recovering a total of 26,042 barrels of oil. This well was abandoned and recompleted later in the Paddock Gas Pool. In our opinion, this 40 acres cannot be attributed to the SMU Well No. 17 because it has been drained and no longer productive.
- (2) The SMU Well No. 9, located in Unit B of Section 15, Township 24 South, Range 37 East, is a standard location for the pool. This well is now a marginal producer and has produced 167,692 barrels through June, 1963. The June, 1963 production was 720 barrels of oil and 191 barrels of water (production figures taken from the New Mexico Oil and Gas Engineering Committee Report), therefore, this 40 acres is practically drained and should not be attributed to another well.
- (3) The proposed SMU Well No. 17 is directly offset to the west and





south by top allowable wells, therefore, this acreage is already dedicated and no doubt is not planned for dedication to Well No. 17.

In view of the above, Gulf feels that 40 acres is all that can reasonably be dedicated to the SMU Well No. 17; therefore, one-half of an 80-acre allowable is the maximum allowable that should be granted.

Yours very truly,

M. I. Taylor."

Q (By Mr. Buell) Thank you, Mr. Examiner. Mr. Rogers, would you state your complete name, by whom you are employed, and what location and in what capacity, please?

A James Turner Rogers, employed by Pan American as a Petroleum Engineer, in Lubbock, Texas.

Q Mr. Rogers, you testified at previous Commission Hearings, have you not, and your qualifications as a petroleum engineer are a matter of public record?

A Yes, sir, they are.

Q Any questions, Mr. Examiner, as to the witness' particular knowledge of the Fowler Ellenburger Pool?

MR. NUTTER: No, sir.

Q (By Mr. Buell) Mr. Rogers, I hand you what has been marked as Pan American's Exhibit Number One. What is that?

A This exhibit is a structure map contoured on top of the productive Ellenburger in the Fowler area.

Q Mr. Rogers, this structural presentation, as depicted on Exhibit One, has been introduced at previous Commission Hearing



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PAGE 6

has it not; as a matter of fact, I believe it was in the record of all three of the cases we have incorporated by reference; is that not correct?

A That is right, sir.

Q In that connection, at these previous hearings, you have gone into detail testimony with regard to the history of this picture from the standpoint that it was first presented to the Commission back in the early fifties at the Pool Rule Hearing, and that all subsequently acquired data have confirmed the accuracy of this presentation?

A Yes, sir, that is right.

Q All right, sir. Let me ask you this: Mr. Rogers, how many operators are there in the Fowler Ellenburger Pool?

A There are three operators in this pool. Pan American operates the South Mattix Unit, Humble operates one lease in the field, and Gulf operates three leases in it.

Q Mr. Rogers, it might be interesting and of a benefit to the record if we make a little comparison at this time with regard to these three operators with respect to the allowable acres as reflected by the proration schedule, and the actual productive acres as reflected by your Exhibit Number One. I believe I will ask you if you will go around by the Examiner and as you state these data that I am going to ask you to compare into the record, mark on his copy of Exhibit Number One, the data that you are stating for the record.



A All right, sir.

Q Let's take Humble first, Mr. Rogers. They operate one lease, the State AB Lease. According to the proration schedule, how many allowable acres does that tract have?

A This tract has 80 acres on scheduled acres, as compared to 77 actual productive acres.

Q All right, sir. Now, let's go to Gulf. Let's take first their Carr Lease up in the northern extremity of the pool. According to the proration schedule, how many allowable acres does that tract have?

A The Gulf Carr tract has also 80 scheduled acres, and approximately 80 actual productive acres.

Q All right, sir. Let's go down to the southeast end of the pool, and first take Gulf Lillie Knight Lease. According to the proration schedule, how many allowable acres does that lease have?

A The Lillie Knight has 120 scheduled acres, and approximately 93 productive acres.

Q All right, sir. Just south of that is Gulf's last productive lease in this field, their Plains Knight Lease. How many allowable acres does it have, according to the schedule, and how many actual productive acres according to Exhibit Number One?

A The Gulf Knight lease has 80 scheduled acres, and approximately 85 actual productive acres.

Q All right, sir. Total up Gulf's allowable acres, and



their actual productive real quickly, and state that for the record?

A Gulf's total scheduled acres is 280 as compared to actual productive acreage of 258.

Q All right, sir. Now, let's go to the last producing property in this pool, the South Mattix Unit.

A South Mattix Unit has on the current allowable schedule, 640 acres, and we are currently drilling the South Mattix Unit Knight Number 15, located in the Northeast Quarter of Section 22. This well received 75 percent of top allowable, or the equivalent of 60 scheduled, which would make a total of 700.

Q 640 on the current schedule, with Well Number 15 completed, it will 700?

A That is right.

Q All right, sir. Let's compare the figure with the actual productive acreage, according to Exhibit Number One?

A Actual productive acreage of the South Mattix Number One is 780.

Q Obvious from this comparison, is it not, Mr. Rogers, owners of interests, both working and royalty, in the South Mattix Unit are currently at a correlative rights disadvantage, or to put it another way, their correlative rights are being violated?

A Yes, sir, that is right.

Q This acre comparison that you made does not take into consideration either quantity or quality of the Ellenburger pay, does it?



A No, sir.

Q According to the Exhibit Number One, and your knowledge of this pool, is it pretty obvious that from a quantity and quality standpoint, the South Mattix Unit is much better off in the edge properties of these other two operators?

A Yes, sir, that is correct. As shown on this exhibit, we are only- - our wells are located higher than the- -

Q So, on the comparison that took into consideration of quantity and quality of pay, it would show a further violation of the correlative rights of owners of interests in the South Mattix Unit, would it not?

A That is right, sir.

Q Would you briefly summarize for the record exactly what Pan American is requesting in connection with the unorthodox location of the SMU Number 17?

A We are requesting permission to drill this well and to classify it as a companion well with South Unit Well Number 9; that these two wells share an 80-acre proration unit, outlined in red on the exhibit, which is the west half of the Northeast Quarter of Section 15; that these two wells be allowed to produce either individually or together a top 80 acre allowable.

Q All right, sir. Is there any precedent for a request of this type, Mr. Rogers; is this something new, as far as New Mexico, where the Oil Conservation Commission is concerned?

A This is not new. Most of the recent field rules for



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fields having greater than 40 acres or specifically 80 acre spacing have provisions for this companion well classification and state that the allowable can be produced from the two wells in any proportion.

Q It is my understanding, Mr. Rogers, maybe you can confirm this, that the 80 acre oil proration unit rules for the Fowler Elleburger Oil Pool were the first 80 acre oil unit adopted in New Mexico. Is my understanding correct according to your understanding?

A That is right, sir.

Q Have you made a study of recent Commission Pool Rules where units in excess of 40 acres were adopted?

A Yes, sir. I went back through the more recent orders and back to the August orders of '59, and there are approximately 31 fields where this companion well status has been made a part of the field rules, and all of these fields have 80 or 160 acre spacing.

Q You found this provision in over 30 different pool rules?

A Yes, sir.

Q The same request that we are making here today with regard to the SMU Number 17?

A Yes, sir.

Q Let me ask you this: Mr. Rogers, is this a multiple pay area?

A Yes, sir, it is.

Q Are there any other oil producing formations in this area?



A Yes, sir. The Blinebry is oil productive, along with a couple of others.

Q Did you make a study of the Fowler Blinebry Oil Pool Rules?

A Yes, sir.

Q Does it contain such a provision for a companion well on a proration unit with the restriction, of course, that only one 80 acre allowable be produced for either, or both wells?

A Yes, sir.

Q As a matter of fact, you were the witness for Pan American at the hearing that resulted in these rules being adopted?

A Yes, sir, I was.

Q Do you recall whether, or not Gulf Oil Corporation attended that hearing?

A Yes, sir, they did.

Q Do you recall whether, or not Gulf Oil Corporation concurred in the Fowler Blinebry Oil Pool Rule?

A Yes, sir, they did concur with the rule.

Q In this case, at lease, they concurred and agreed with exactly what we are asking for here?

A Yes, sir.

Q All right, sir. How will this, the approval of this application here today, how will it help minimize or mitigate the correlative rights violation of owners of interest in the South Mattix Unit?

A We had anticipated that this South Mattix Unit Number 17



will be capable of producing at top allowable rates, and consequently, we will, by completing this well in the Ellenburger, be able to produce top allowable for this 80 acres.

Q According to the current proration schedule, Number Nine, the other well on this proration unit, what is its current allowable?

A Number Nine has a current 24 barrel per day allowable.

Q Mr. Rogers, I wonder why you haven't recommended to management that Number Nine be worked over, rather than drilling a new well, Well 17?

A We have attempted several workovers on Number Nine, most recent one was 1961. We have been unable- - unsuccessful in appreciably increasing the production in this well. Our main problem here being the proximity of this well to the water-oil contact.

Q Mr. Rogers, has Pan American had any experience in working over wells in the area? I believe the Gulf letter which the Examiner read, mentioned Number Ten. What about Number 10; let's discuss it a minute.

A Number Ten was producing at approximately the same rate that Number Nine is currently producing, at between 20 and 30 barrels a day. We attempted a workover on it. We opened up additional intervals in it and gave it a large volume acid stimulation, and our oil production decreased and water production increased sharply as a result of that workover. We subsequently abandoned this well from the Ellenburger. This well was still making approximately 20





barrels of oil per day when we abandoned it, but the water ratio is so high, that the operation was not economical.

Q Do you agree in the statement- - with the statement in Gulf's letter that the acreage in the vicinity of Number Ten is not productive of oil from the Ellenburger?

A No, sir, I don't. This well was abandoned not due to having drained this acreage, but rather, due to the high water production.

Q In that connection, Mr. Rogers, looking back at Exhibit Number One, is it obvious that not all of the acreage in this proration unit we have been speaking of, which is the West Half of the Northeast Quarter of Section 15, it is obvious that not all that acreage is productive, isn't it?

A Yes, sir, it is. A portion of that acreage on the Northeast edge, or end, of the proration unit is not productive. However, we do have in excess of 80 productive acres in that quarter section including the acreage around Well Number Ten.

Q So, although it would take a very unusual arrangement of proration unit, to take in 80 productive acres, there are, in your opinion, 80 productive acres in that Northeast Quarter?

A Yes, sir, they are.

Q All right, sir. Now, at these prior hearings that we have spoken of, I believe Case Number 2854, you testified in detail to the effect that data have now shown that this Ellenburger reservoir, unlike most Ellenburger reservoirs, instead of being



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a water drive primary producing, it would be solution gas drive?

A Yes, sir.

Q In view of that, Mr. Rogers, let me ask you this: Will the drilling of this second well on proration unit increase ultimate recovery to some minor degree?

A Yes, sir, it will increase it a minor degree. Of course, increases operation in regard to - - with respect to economic expense, although being slight, would be present.

Q Let me ask you once again to make sure the record is clear, Pan American is not asking for any special allowable treatment for Well Number 17, other than what the Commission has granted in many many cases, and in fact, I believe one could almost safely say that it is standard policy of this Commission?

A Yes, sir, that is right.

Q In your opinion, will the approval of this application prevent waste?

A Yes, sir.

Q To the minor degree that it will increase ultimate recovery and it will result through Well Number 17?

A That is right.

Q Do you see any way that the approval of this application can violate the correlative rights of any other owners of interest in the pool, particularly Gulf Oil Corporation?

A No, sir.

Q In your opinion, will the approval of this application



help protect the correlative rights of the owners of interest, both working and royalty, in the South Mattix Unit?

A Yes, sir.

Q You have anything else that you would care to add at this time, Mr. Rogers?

A No, sir.

MR. BUELL: May it please the Examiner, that is all we have by way of direct at this time. I would like to formally offer Pan American's Exhibit Number One.

MR. NUTTER: Pan American's Exhibit Number One will be admitted in evidence. Does anyone have any questions of Mr. Rogers?

(Whereupon, the contour map was admitted in evidence as Pan American's Exhibit One)

EXAMINATION

BY MR. NUTTER:

Q Mr. Rogers, how did you determine the productive acreage that you state these various leases had?

A I scaled off the acreage inside the original water-oil contact as shown on the map to be at minus 7250.

Q This is the ages then that is above the oil-water contact and below the fault; is that correct?

A That is right, sir.

Q How many acres did you actually preliminary in the 80 acre tract at that time attributed to Well Number Nine as being



productive?

A I don't have that figure, sir. Looking at the map here since that fault almost cuts the center of 40, would be pretty easy to estimate it. It would be approximately 65 acres.

Q How did you arrive at the acreage that was dedicated to the Gulf Lillie Lease, being productive, and also, the scheduled acres?

A The scheduled acreage is for- - or represents 80 acres for the Lillie Number One, and 40 acres for Lillie Number Three. Lillie Number Three was granted one-half the top allowable. 93 acres was presented from a previous hearing, and again is preliminary. In other words, inside that fault shown on the east side of the field.

Q In reference to going through these 31 sets of pool rules and finding in most cases they provide for two wells on a unit, how many of those pool rules actually specify that a well must be drilled in a certain quarter section? Would you check that feature of those orders?

A I don't have a number for it. Most of them were on what we call a flexible location. However, a number of them were fixed. They were fixed for the first well, and then, had provisions to drill another well on the 80 acres. So, for the first well, it would be a fixed location, then, you could drill two. For example, let's see, the Henshaw Wolfcamp, which is Case Number 2480, Order R-2182, is on 80 spacing. The first location was what we call a



fixed location, similar to what we have here in the Fowler. Second well can be drilled on the 80 with the allowable produced from the two wells in any proportion. Have similar rules in the Tatum Wolfcamp, Order R-1492 and Order R-1472.

Q Is it a fact that some of the pool rules which provide for fixed locations don't make any provision for a second well on the 80 at all?

A I didn't make a study of the ones that didn't have companion wells. I went through looking for rules with companion wells. I am sure some of them don't. I only went back to August of '59. Of course, I am sure if I had gone back further- -

Q Are you aware of whether, or not the Oil Center Blinebry provides for a second well on the unit?

A Oil Center Blinebry, I have got fixed and flexible. I didn't go through that and study it in detail. I think they outlined certain sections on there that have fixed locations. And I am not - - I am not familiar enough with those rules- -

Q (By Mr. Buell) But, you do have that on your list that it provides for a companion well?

A Yes, I have it on my list as providing for a companion well. It is possible that it provides for the wells only in certain area. As I said, I didn't read that rule in detail.

MR. NUTTER: I see. Are there any other questions of Mr. Rogers?

MR. DURRETT: Yes, sir.



EXAMINATION

BY MR. DURRETT:

Q Mr. Rogers, this Number Nine well is a marginal well, is that correct?

A Yes, sir, that is right.

Q Has been making 24 barrels of oil per day?

A Yes, sir.

Q Two questions I have now. One, would you feel that your company would have any objection if the Commission chose to grant this order with the provision that Pan American would not dedicate the Southeast Quarter of the Northeast Quarter of Section 15 to Fowler Ellenburger production?

A The Southeast- -

Q The Southeast Quarter. That is where your Well Number Ten is.

A In other words, if we received what we are asking for 17?

Q Right. That would be- - Would you have any objection to that proviso in there, if the Commission chose to put it in?

A No, sir.

Q That would be- - it would not be dedicated to any Fowler Ellenburger production?

A No, sir, I wouldn't.

Q All right, sir. Now, my final question, I don't believe



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you have testified on direct examination, and I would like to know if you had any opinion as to whether, or not the approval of this application would prevent waste, and if so, I would like to know how you would feel it would do so?

A As we stated, we feel it would prevent waste to a minor degree, only with respect to the economic limits of production of two wells versus one well. We know that when we abandon a well, on say, an 80 acre tract, let's say, in this one in particular, this pressure would be somewhat higher in the southern portion of the 80 with Well 17 here than it would be with it. We say that any increase in ultimate recovery would be slight again only due to economic limits. If you could produce a well down to the, say, a tenth of a barrel a day, I don't think you could realize much increase.

MR. NUTTER: What incentive would Pan American have to keep Number Nine on production if they had a top allowable well on 17?

A Well, that is a good question. To my knowledge, there has been no discussion or talk of not keeping Number Nine on production.

MR. NUTTER: Do you feel - -

A Again we would have some minor to slight increase in ultimate recovery, but other than that, of course - -

MR. NUTTER: Is Number Nine a pumping well?

A Yes, sir, it is.



MR. NUTTER: What are the operating costs of that well, do you know?

A I can guess. I don't have them. Probably \$150.00 a month.

MR. NUTTER: Do you anticipate Number 17 would be a flowing well?

A Yes, sir, initially.

MR. NUTTER: So, your operating costs would reduce for 80 if you produced all the allowable from 17, wouldn't it?

A That is right.

Q (By Mr. Durrett) Mr. Rogers, let me ask you this question: Would your company, as far as you know, have any objection to a second proviso, if the Commission saw fit to grant this order, providing that Number One- - Number Nine well, which is the North Half of your proposed unit, would continue to produce at its capacity, and the balance of your allowable from your 17, which you propose to drill?

A I don't think we would have any opposition to that at all. As I said, of course, I don't make the decisions for our company, I have heard no talk of abandoning Number Nine, as far as I know. We intend to keep Number Nine on production. So, I don't think we would- -

MR. BUELL: I would like to state, Mr. Durrett, on behalf of Pan American, that we would certainly prefer flexibility in the request we made, rather than a complete denial, certainly we would accept that proviso. But, we would definitely prefer flexibility of





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being able to produce the allowable off one or both. As Mr. Nutter's question brought out, it is entirely possible that when Number 17 is completed, that Number Nine would be shut in to save the \$100.00 a month operating cost. And just remain on the stand-by status until 17 declined and couldn't produce its allowable. We would like to have that flexibility if the Commission sees fit to grant it.

MR. NUTTER: Mr. Rogers, this is the original water-oil contact, this minus 7250, I presume?

A Yes, sir.

MR. NUTTER: What is the present water-oil contact, do you know?

A No, sir. As we have stated in our other hearing, we are of the opinion that this field is now under solution gas drive. We had some minor or limited influx initially. I don't think the water-oil contact has changed much. In a couple of limited cases here, we got water production immediately after a workover. We had a large volume of acid stimulation. I don't think -

MR. NUTTER: You don't anticipate that this water-oil contact is necessarily a flat plain any more, there has been some *coning* coring and -

A Strictly in local wells, or around well bores. I think in general you would - would say it is a flat plain, but I don't think we have had any appreciable rise in the water-oil contact. I think the Humble AB Well is probably one good example of



the fact that the water-oil contact has not risen appreciably since that well is still on the production, recovered a considerable amount of oil.

MR. NUTTER: Any other questions, of Mr. Rogers? He may be excused.

(Witness excused)

MR. NUTTER: Do you have any further, Mr. Buell?

MR. BUELL: I would, Mr. Examiner, like to make a brief closing statement. I think we have covered everything sufficiently in our direct examination, but I believe it is obvious from the tone of Gulf's letter that they did not completely understand the scope of our hearing. I would like to feel that had they been here in person, or had they known exactly what the request entailed, that they would not have any objection. But, I would like to say this earnestly and sincerely, that Pan American urges the Commission to approve this request such that the correlative rights of owners of interest in the South Mattix Unit can be protected to the maximum degree possible.

NUTTER: Does anyone have anything that he wishes to offer in Case 2901? We will take the case under advisement.

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\* \* \*



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STATE OF NEW MEXICO  
COUNTY OF BERNALILLO

I, ROY D. WILKINS, a Notary Public 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.

WITNESS my Hand and Seal of Office, this 14th day of

October, 1963.

*[Signature]*  
NOTARY PUBLIC

My Commission Expires:  
September 6, 1967.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner Hearing of Case No. 2901  
heard by me on 9/25, 1963.  
*[Signature]* Examiner  
New Mexico Oil Conservation Commission





J. M. HERVEY 1874-1953  
HIRAM M. DOW  
CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
GEORGE H. HUNKER, JR.  
HOWARD C. BRATTON  
S. B. CHRISTY IV  
LEWIS C. COX, JR.  
PAUL W. EATON, JR.  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
MICHAEL R. WALLER

LAW OFFICES  
HERVEY, DOW & HINKLE  
HINKLE BUILDING  
ROSWELL, NEW MEXICO

September 5, 1963

2912  
TELEPHONE 622-6510  
AREA CODE 505  
POST OFFICE Box 10

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

Gentlemen:

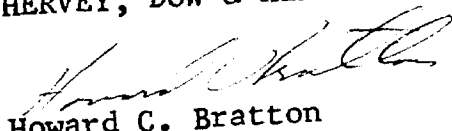
Under date of August 28, 1963, I wrote to you on behalf of John J. Redfern requesting the setting of a forced pooling application in San Juan County.

The well is now being operated by Pioneer Production Corporation, and I would request that the application be amended to so reflect, and that the hearing be called in the name of that Corporation.

Thank you for taking care of this matter for us.

Very truly yours,

HERVEY, DOW & HINKLE

  
Howard C. Bratton

HCB:jw

CC: Mr. W.B. Johnston  
Redfern & Herd, Inc.

Mr. Wm. L. Darrah  
Pioneer Production Corp.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 25, 1963

9:00 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, or Elvis A. Utz, as alternate examiner:

- CASE 2883: (Continued from the August 21st examiner hearing)  
Application of Pan American Petroleum Corporation for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a Tubb gas, Blinebry oil and Paddock gas triple completion, Fowler Field, at an unorthodox location for the Fowler Blinebry Oil Pool 990 feet from the South line and 1650 feet from the East line of Section 15, Township 24 South, Range 37 East, Lea County, New Mexico.
- CASE 2901: Application of Pan American Petroleum Corporation for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to drill its SMU Well No. 17 at an unorthodox location 1980 feet from the North line and 1980 feet from the East line of Section 15, Township 24 South, Range 37 East, Fowler Ellenburger Pool, Lea County, New Mexico.
- CASE 2902: Application of Pioneer Production Corporation for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Blanco Mesaverde and Basin-Dakota Gas Pools underlying the S/2 of Section 28, Township 30 North, Range 12 West, San Juan County, New Mexico.
- CASE 2903: Application of Coastal States Gas Producing Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Gulf State Well No. 1, located in Unit F of Section 20, Township 17 South, Range 36 East, Lea County, New Mexico, to produce oil from the Double-A Abo Pool and an undesignated Lower Leonard pool through parallel strings of tubing.
- CASE 2904: Application of Coastal States Gas Producing Company for the creation of a new Abo Pool and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Abo production in Sections 15 and 16, Township 9 South, Range 33 East, Lea County, New Mexico, and for the establishment of temporary rules therefor, including provisions for 80-acre spacing and fixed well locations.
- CASE 2905: Application of Robert N. Enfield for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Indian Basin Unit Area comprising 4,278.29 acres of Federal, State and fee lands in Township 21 South, Range 23 East, Eddy County, New Mexico.
- CASE 2906: Application of Western Oil Fields, Inc. for a quadruple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the quadruple completion (tubingless) of its Gulf Hill No. 4 located in Unit S of Section 4, Township 21 South, Range 37 East, Lea County, New Mexico, to produce oil from the Penrose-Skelly, Tubb, Drinkard and Wantz Abo

Pools, through parallel strings of 2 7/8 inch casing cemented in a common well bore.

- CASE 2907: Application of Penroc Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Indian Hills-Upper Pennsylvanian Gas Pool underlying Section 19, Township 21 South, Range 24 East, Eddy County, New Mexico.
- CASE 2908: Application of Penroc Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Morrow section of the Pennsylvanian formation underlying Section 19, Township 21 South, Range 24 East, Indian Hills Field, Eddy County, New Mexico.
- CASE 2909: Application of Sinclair Oil & Gas Company for the extension of a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Grayburg-Jackson Waterflood Project, Grayburg Jackson Pool, Eddy County, New Mexico, by the injection of water into 7 additional wells located in Sections 3, 4, 5, 8, 9, and 10, Township 17 South, Range 31 East. Applicant further seeks an administrative procedure for further expansion of the project by the conversion to water injection of 30 additional wells in three 6-month stages commencing in early 1964, said wells to be located in Sections 3, 5, 6, 7, 8, 9 and 10 of said township.
- CASE 2910: Application of Big (6) Drilling Company for extension of an existing oil pool and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the Scharb Bore Spring Oil Pool to comprise the W/2 of Section 5, all of Section 6, and the N/2 of Section 7, Township 19 South, Range 35 East, Lea County, New Mexico, and for special rules therefor, including 80-acre spacing and proration units to comprise any two contiguous 40-acre tracts, and for fixed well locations.

J. M. HERVEY 1874-1953

HIRAM M. DOW  
CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
GEORGE H. HUNKER, JR.  
HOWARD C. BRATTON  
S. B. CHRISTY IV  
LEWIS C. COX, JR.  
PAUL W. EATON, JR.  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
MICHAEL R. WALLER

LAW OFFICES  
HERVEY, DOW & HINKLE

HINKLE BUILDING

ROSWELL, NEW MEXICO

August 28, 1963

TELEPHONE 622-6510

\* AREA CODE 505

POST OFFICE BOX 10

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

Gentlemen:

*Junior Production Corp*  
Redfern & Herd, Inc. herewith apply for an order force pooling all mineral interests in the S $\frac{1}{2}$  of Section 28, Township 30 N., Range 12 W., NMPM, San Juan County, New Mexico, for the production of gas from the Mesa Verde and Dakota Formations, from a well located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of said Section.

I do not know if you will want to set this up in two hearings, or in one hearing, since the well is dually completed. However, of course the order would have to force pool separately as to the interests in each formation.

The only party who has not joined the pooling agreements covering the 320 acres is a royalty owner whose name and address is:

DOCKET MAILED

Date 9/13/63 James G. Palmer  
936 West Nearmont Street  
Tucson, Arizona

Redfern & Herd, Inc. are the operators of the well and they would request an operating charge. However, they would not request any risk factor, since there is only the one royalty interest involved.

Please set the above matter down for Examiner Hearing at the earliest available date.

Very truly yours,

HERVEY, DOW & HINKLE

*Howard C. Bratton*  
DOCKET MAILED Howard C. Bratton

HCB:jw

Date 9-13-63  
*[Signature]*



DRAFT

JMD/esr  
Sept. 25, 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. 2902

Order No. R-2574

2574

APPLICATION OF PIONEER PRODUCTION  
CORPORATION FOR COMPULSORY POOLING,  
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 25, 1963, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 September, 1963, the Commission, a quorum being present, having considered ~~the application, the evidence adduced, and~~ the recommendations of the Examiner, Daniel S. Nutter, 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 attorney for the applicant moved prior to ~~the hearing,~~ to dismiss the subject case.
- (3) That Case No. 2902 should be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 2902 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

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. 2902  
Order No. R-2574

APPLICATION OF PIONEER PRODUCTION  
CORPORATION FOR COMPULSORY POOLING,  
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 25, 1963, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 3rd day of October, 1963, the Commission, a quorum being present, having considered the recommendations of the Examiner, Daniel S. Nutter, 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.

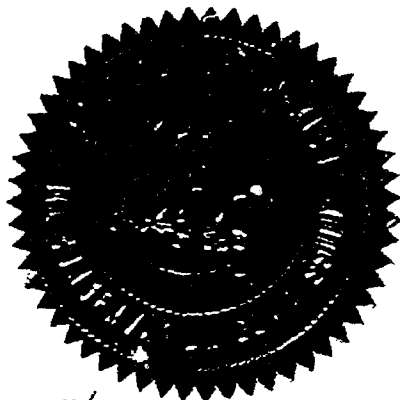
(2) That the attorney for the applicant moved to dismiss the subject case.

(3) That Case No. 2902 should be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 2902 is hereby dismissed.

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



esr/

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Jack M. Campbell*  
JACK M. CAMPBELL, Chairman

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

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

State of New Mexico  
Oil Conservation Commission



P. O. BOX 271  
SANTA FE

**October 3, 1963**

Re: Case No. 2902  
Order No. R-2574  
Applicant:  
Pioneer Production Corp.

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

Carbon copy of order also sent to:

Robbs OCC X

Artesia OCC\_\_\_\_\_

Aztec OCC           x          

**OTHER** \_\_\_\_\_

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
September 25, 1963

EXAMINER      HEARING

IN THE MATTER OF:

Application of Pioneer Production Corp.  
for compulsory pooling, San Juan County,  
New Mexico, seeking an order force-pooling  
all mineral interests in the Blanco  
Mesaverde and Basin-Dakota Gas Pools underlying  
the S/2 of Section 28, Township 30 North,  
Range 12 West, San Juan County, New  
Mexico

Case No. 2902

BEFORE:      Mr. Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

SANTA FE, N. M.  
PHONE 983-3971

ALBUQUERQUE, N. M.  
PHONE 243-6691



BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
September 25, 1963.

EXAMINER HEARING

IN THE MATTER OF:

Application of Pioneer Production  
Corporation for compulsory pooling,  
San Juan County, New Mexico, seeking  
an order force-pooling all mineral  
interests in the Blanco Mesaverde  
and Basin-Dakota Gas Pools under-  
lying the S/2 of Section 28, TS 30  
North, Range 12 West, San Juan County,  
New Mexico.

CASE No. 2902

BEFORE: Mr. Daniel S. Nutter, Examiner for the Commission

TRANSCRIPT OF HEARING

MR. NUTTER: The hearing will come to order. The first  
case will be Case No. 2902.

MR. DURRETT: Application of Pioneer Production Corpor-  
ation for compulsory pooling, San Juan County, New Mexico.

MR. CHRISTY: Sim B. Christy of Hervey, Dow & Hinkle,  
Roswell, New Mexico. We represent the applicant, Pioneer Production  
Corporation. We ask that the case be dismissed.

MR. NUTTER: Case 2902 will be dismissed.



DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

Phone 243-6691

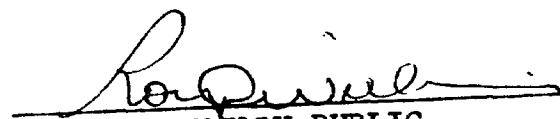
Albuquerque, New Mexico

Suite 1120 Simms Building

STATE OF NEW MEXICO X  
COUNTY OF BERNALILLO X

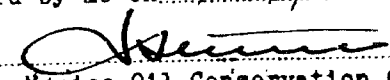
I, ROY D. WILKINS, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record of the said proceedings,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

WITNESS my Hand and Seal of office, this 12th day of October, 1963.

  
NOTARY PUBLIC

My Commission Expires:  
September 6, 1967.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2907 heard by me on 4/25, 1963.

, Examiner  
New Mexico Oil Conservation Commission



GOVERNOR  
JACK M. CAMPBELL  
CHAIRMAN

State of New Mexico MAIN OFFICE OCC  
**Oil Conservation Commission**  
1963 SEP 20 PM 1:31



LAND COMMISSIONER  
E. B. JOHNNY WALKER  
MEMBER

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO

September 17, 1963

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

*Case file*

Mr. J. M. Durrett, Jr.  
Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

Re: Case No. 2902, Application of  
Pioneer Production Corporation  
for Compulsory Pooling

Dear Jim:

Docket No. 27-63 identifies the pools for subject case to be  
the Blanco-Mesaverde and Basin-Dakota Pools. The shallow zone is  
not in the Blanco-Mesaverde Pool, but it is an extension of the  
Flora Vista-Mesaverde Pool.

I am advising the applicant's local agent by copy of this letter.

Yours very truly

*A. R. Kendrick*

A. R. Kendrick  
Engineer, District #3

ARK:ks

cc: Mr. T. A. Dugan  
Farmington, N.M.

CASE 2903: Application of COASTAL  
STATES GAS PROD. CO. to dually  
complete GULF STATE WELL NO. 1.

Rec'd 12 Oct 9

1 - Gulf State