

CASE 2972: Application of PAN AM.
for force-pooling in the Basin
Dakota Pool - San Juan County.

CASE No.
2972

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

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. 2972
Order No. R-2643

APPLICATION OF PAN AMERICAN
PETROLEUM CORPORATION FOR
FORCE-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 January 22, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 29th day of January, 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 the applicant, Pan American Petroleum Corporation, seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool underlying the W/2 of Section 22, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.

(3) That the applicant has the right to drill and proposes to drill a well 940 feet from the South line and 790 feet from the West line of said Section 22 to be projected to the Dakota formation.

(4) That there are interest owners in the proposed proration unit who have not agreed to pool their interests.

(5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said proration unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in the Basin-Dakota Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

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CASE No. 2972
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(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 25% thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that said actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) That \$75.00 per month should be fixed as the reasonable cost of operating the subject well and each non-consenting working interest owner should be assessed with his share of such cost, to be paid out of production.

(12) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool underlying the W/2 of Section 22, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit to be dedicated to a well to be drilled 940 feet from the South line and 790 feet from the West line of said Section 22.

(2) That Pan American Petroleum Corporation is hereby designated the operator of the subject well and unit.

(3) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized

schedule of estimated well costs within 30 days following the date of this order.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.

(B) As a charge for the risk involved in the drilling of the well, 25% of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.

(6) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(7) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of actual well costs within 30 days following completion of the well; that if no objection to the actual well costs is received by the Commission and the Commission has not objected within 60 days following completion of the well, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 60-day period, the Commission will determine reasonable well costs after public notice and hearing.

(8) That within 30 days following determination of reasonable well costs any non-consenting working interest owner that has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(9) That \$75.00 per month is hereby fixed as the reasonable cost of operating the subject well, and the operator is hereby

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CASE No. 2972
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authorized to withhold from production the proportionate share of such cost attributable to each non-consenting working interest.

(10) That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in San Juan County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

(13) 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, Chairman

E. S. WALKER, Member

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

S E A L

esr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
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CASE No. 2972
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APPLICATION OF PAN AMERICAN
PETROLEUM CORPORATION FOR
FORCE-POOLING, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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January 22, 1964, at Santa Fe, New Mexico, before Examiner Elvis
A. Utz.

NOW, on this 29th day of January, 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 the applicant, Pan American Petroleum Corporation,
seeks an order pooling all mineral interests in the Basin-Dakota
Gas Pool underlying the W/2 of Section 22, Township 29 North,
Range 13 West, NMPM, San Juan County, New Mexico.

(3) That the applicant has the right to drill and proposes
to drill a well 940 feet from the South line and 790 feet from
the West line of said Section 22 to be projected to the Dakota
formation.

(4) That there are interest owners in the proposed proration
unit who have not agreed to pool their interests.

(5) That to avoid the drilling of unnecessary wells, to
protect correlative rights, and to afford to the owner of each
interest in said proration unit the opportunity to recover or
receive without unnecessary expense his just and fair share of
the gas in the Basin-Dakota Gas Pool, the subject application
should be approved by pooling all mineral interests, whatever
they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 25% thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that said actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) That \$75.00 per month should be fixed as the reasonable cost of operating the subject well and each non-consenting working interest owner should be assessed with his share of such cost, to be paid out of production.

(12) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool underlying the W/2 of Section 22, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit to be dedicated to a well to be drilled 940 feet from the South line and 790 feet from the West line of said Section 22.

(2) That Pan American Petroleum Corporation is hereby designated the operator of the subject well and unit.

(3) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized

schedule of estimated well costs within 30 days following the date of this order.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.

(B) As a charge for the risk involved in the drilling of the well, 25% of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.

(6) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(7) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of actual well costs within 30 days following completion of the well; that if no objection to the actual well costs is received by the Commission and the Commission has not objected within 60 days following completion of the well, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 60-day period, the Commission will determine reasonable well costs after public notice and hearing.

(8) That within 30 days following determination of reasonable well costs any non-consenting working interest owner that has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(9) That \$75.00 per month is hereby fixed as the reasonable cost of operating the subject well, and the operator is hereby

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authorized to withhold from production the proportionate share of such cost attributable to each non-consenting working interest.

(10) That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in San Juan County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

(13) 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, Chairman

E. S. WALKER, Member

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

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BEFORE THE OIL CONSERVATION COMMISSION
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APPLICATION OF PAN AMERICAN
PETROLEUM CORPORATION FOR
FORCE-POOLING, SAN JUAN
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ORDER OF THE COMMISSION

BY THE COMMISSION:

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January 22, 1964, at Santa Fe, New Mexico, before Examiner Elvis
A. Utz.

NOW, on this 29th day of January, 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 the applicant, Pan American Petroleum Corporation,
seeks an order pooling all mineral interests in the Basin-Dakota
Gas Pool underlying the W/2 of Section 22, Township 29 North,
Range 13 West, NMPM, San Juan County, New Mexico.

(3) That the applicant has the right to drill and proposes
to drill a well 940 feet from the South line and 790 feet from
the West line of said Section 22 to be projected to the Dakota
formation.

(4) That there are interest owners in the proposed proration
unit who have not agreed to pool their interests.

(5) That to avoid the drilling of unnecessary wells, to
protect correlative rights, and to afford to the owner of each
interest in said proration unit the opportunity to recover or
receive without unnecessary expense his just and fair share of
the gas in the Basin-Dakota Gas Pool, the subject application
should be approved by pooling all mineral interests, whatever
they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 25% thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that said actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) That \$75.00 per month should be fixed as the reasonable cost of operating the subject well and each non-consenting working interest owner should be assessed with his share of such cost, to be paid out of production.

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IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool underlying the W/2 of Section 22, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit to be dedicated to a well to be drilled 940 feet from the South line and 790 feet from the West line of said Section 22.

(2) That Pan American Petroleum Corporation is hereby designated the operator of the subject well and unit.

(3) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized

schedule of estimated well costs within 30 days following the date of this order.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

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(6) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(7) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of actual well costs within 30 days following completion of the well; that if no objection to the actual well costs is received by the Commission and the Commission has not objected within 60 days following completion of the well, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 60-day period, the Commission will determine reasonable well costs after public notice and hearing.

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(10) That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in San Juan County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

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BEFORE THE OIL CONSERVATION COMMISSION
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A. Utz.

NOW, on this 29th day of January, 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 the applicant, Pan American Petroleum Corporation,
seeks an order pooling all mineral interests in the Basin-Dakota
Gas Pool underlying the W/2 of Section 22, Township 29 North,
Range 13 West, NMPM, San Juan County, New Mexico.

(3) That the applicant has the right to drill and proposes
to drill a well 940 feet from the South line and 790 feet from
the West line of said Section 22 to be projected to the Dakota
formation.

(4) That there are interest owners in the proposed proration
unit who have not agreed to pool their interests.

(5) That to avoid the drilling of unnecessary wells, to
protect correlative rights, and to afford to the owner of each
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(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

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(12) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool underlying the W/2 of Section 22, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit to be dedicated to a well to be drilled 940 feet from the South line and 790 feet from the West line of said Section 22.

(2) That Pan American Petroleum Corporation is hereby designated the operator of the subject well and unit.

(3) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized

schedule of estimated well costs within 30 days following the date of this order.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.

(B) As a charge for the risk involved in the drilling of the well, 25% of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.

(6) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(7) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of actual well costs within 30 days following completion of the well; that if no objection to the actual well costs is received by the Commission and the Commission has not objected within 60 days following completion of the well, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 60-day period, the Commission will determine reasonable well costs after public notice and hearing.

(8) That within 30 days following determination of reasonable well costs any non-consenting working interest owner that has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

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(10) That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in San Juan County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

(13) 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, Chairman

E. S. WALKER, Member

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

S E A L

esr/

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 22, 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. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 2682: (Reopened and continued from January 8, 1964 Examiner Hearing.)

In the matter of Case 2682 being reopened pursuant to the provisions of Order No. R-2375, which order established temporary 80-acre oil proration units for the Simpson-Gallup Oil Pool, San Juan 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 2967: (Continued from the January 8th Examiner Hearing)

Application of Standard Oil Company of Texas for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Jurnegan Point Unit Area comprising 7680 acres, more or less, of State and Fee land in Township 24 South, Ranges 24 and 25 East, Eddy County, New Mexico.

CASE 2969: Application of H. N. Sweeney for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Good Hope Unit Area comprising 1919.72 acres, more or less, of State and fee land in Township 19 South, Range 23 East, Eddy County, New Mexico.

CASE 2970: Application of Cima Capitan Incorporated for an amendment of Order No. R-2395, Eddy County, New Mexico. Applicant, in the above styled cause, seeks amendment of Order No. R-2395 to delete the seven water injection wells authorized therein for its Artesia Pool Waterflood Project, Eddy County, New Mexico, and to substitute therefor the following four injection wells in Section 17, Township 18 South, Range 28 East:

Welch State No. 1-W, 1330 feet from the South and West lines;

Welch State No. 4-W, 2630 feet from the South line and 2230 feet from the West line;

Case 2970 continued from page 1

Adkins Williams State No. 1-W, 10 feet from the South line and 2630 feet from the East line;

Adkins Williams State No. 6-W, 1180 feet from the South line and 1595 feet from the East line.

CASE 2971: Application of Caulkins Oil Company for unorthodox locations, dual completions, and expansion of a waterflood project, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Breech C No. D-189 and Breech C No. D-248 wells to produce oil from the Tocito formation through 2½ inch tubing and gas from the Dakota formation through the casing-tubing annulus at unorthodox locations 1850 feet from the South line and 790 feet from the West line of Section 12 and 1140 feet from the North line and 900 feet from the East line of Section 13, Township 26 North, Range 6 West, Rio Arriba County, New Mexico. Applicant also seeks expansion of the South Blanco-Tocito Pressure Maintenance Project Area to include said wells.

CASE 2727: (Reopened)

In the matter of Case No. 2727 being reopened pursuant to the provisions of Order No. R-2408 which order established temporary 80-acre proration units for the Oil Center-Blinebry 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 2972: Application of Pan American Petroleum Corporation for force-pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin Dakota Pool underlying the W/2 of Section 22, Township 29 North, Range 13 West, City of Farmington, San Juan County, New Mexico.

CASE 2973: Application of Pan American Petroleum Corporation for force-pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin-Dakota Pool underlying the W/2 of Section 13, Township 30 North, Range 12 West, San Juan County, New Mexico.

CASE 2974: Application of Pan American Petroleum Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (conventional) of its South Mattix Unit Well No. 16, located in Unit O of Section 15, Township 24 South, Range 37 East, Lea County, New Mexico, to produce gas from the Fowler Paddock and Fowler Tubb Gas Pools and from an undesignated Lower Paddock through parallel strings of tubing.

CASE 2975: Application of Amerada Petroleum Corporation for an un-orthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an un-orthodox location for a proposed triple completion in the Vacuum-Devonian, Vacuum-Wolfcamp, and North Vacuum-Abo Pools, Lea County, New Mexico, said well to be drilled at a point within 200 feet of the center of the NE/4 SW/4 of Section 36, Township 17 South, Range 34 East.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 22, 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. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 2682: (Reopened and continued from January 8, 1964 Examiner Hearing.)

In the matter of Case 2682 being reopened pursuant to the provisions of Order No. R-2375, which order established temporary 80-acre oil proration units for the Simpson-Gallup Oil Pool, San Juan 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 2967: (Continued from the January 8th Examiner Hearing)

Application of Standard Oil Company of Texas for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Jurnegan Point Unit Area comprising 7680 acres, more or less, of State and Fee land in Township 24 South, Ranges 24 and 25 East, Eddy County, New Mexico.

CASE 2969: Application of H. N. Sweeney for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Good Hope Unit Area comprising 1919.72 acres, more or less, of State and fee land in Township 19 South, Range 23 East, Eddy County, New Mexico.

CASE 2970: Application of Cima Capitan Incorporated for an amendment of Order No. R-2395, Eddy County, New Mexico. Applicant, in the above styled cause, seeks amendment of Order No. R-2395 to delete the seven water injection wells authorized therein for its Artesia Pool Waterflood Project, Eddy County, New Mexico, and to substitute therefor the following four injection wells in Section 17, Township 18 South, Range 28 East:

Welch State No. 1-W, 1330 feet from the South and
West lines;

Welch State No. 4-W, 2630 feet from the South line
and 2230 feet from the West line;

Case 2970 continued from page 1

Adkins Williams State No. 1-W, 10 feet from the South line and 2630 feet from the East line;

Adkins Williams State No. 6-W, 1180 feet from the South line and 1595 feet from the East line.

CASE 2971: Application of Caulkins Oil Company for unorthodox locations, dual completions, and expansion of a waterflood project, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Breech C No. D-189 and Breech C No. D-248 wells to produce oil from the Tocito formation through 2½ inch tubing and gas from the Dakota formation through the casing-tubing annulus at unorthodox locations 1850 feet from the South line and 790 feet from the West line of Section 12 and 1140 feet from the North line and 900 feet from the East line of Section 13, Township 26 North, Range 6 West, Rio Arriba County, New Mexico. Applicant also seeks expansion of the South Blanco-Tocito Pressure Maintenance Project Area to include said wells.

CASE 2727: (Reopened)

In the matter of Case No. 2727 being reopened pursuant to the provisions of Order No. R-2408 which order established temporary 80-acre proration units for the Oil Center-Blinebry 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 2972: Application of Pan American Petroleum Corporation for force-pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin Dakota Pool underlying the W/2 of Section 22, Township 29 North, Range 13 West, City of Farmington, San Juan County, New Mexico.

CASE 2973: Application of Pan American Petroleum Corporation for force-pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin-Dakota Pool underlying the W/2 of Section 13, Township 30 North, Range 12 West, San Juan County, New Mexico.

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CASE 2975: Application of Amerada Petroleum Corporation for an un-orthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an un-orthodox location for a proposed triple completion in the Vacuum-Devonian, Vacuum-Wolfcamp, and North Vacuum-Abo Pools, Lea County, New Mexico, said well to be drilled at a point within 200 feet of the center of the NE/4 SW/4 of Section 36, Township 17 South, Range 34 East.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF PAN AMERICAN PETROLEUM COR-)
PORATION FOR AN ORDER FORCE-POOLING)
ALL MINERAL INTEREST IN THE BASIN)
DAKOTA POOL UNDERLYING THE W $\frac{1}{2}$) No. 2973
SECTION 13, TOWNSHIP 30 NORTH, RANGE)
12 WEST, SAN JUAN COUNTY, NEW MEXICO.)


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, for Pan American
Petroleum Corporation.

DATED at Roswell, New Mexico, this 16th day of January,
1964.

ATWOOD & MALONE

By


P. O. Drawer 700
Roswell, New Mexico

2973.

Heard 1-22-64

Rec. 1-23-64

1. Grant Pan Am. a forced pooled unit, consisting of w/2 sec. 3. 30 N-12W. Pool all interest known or unknown. Escrow the unknown interest according to law.

2. Grant 25% risk factor.

3. When interest are so diversified and accounting costs high I cannot see how an operator breaks even on \$65⁰⁰ mo. I therefore recommend.

Pan Am average cost of including supervision of ~~\$4500~~^{\$4000} mo as an operating cost.

Thos. H. H.

Case 2972

Heard 1-22-64

Rec. 1-23-64

1. Grant Pan Am's request for forced Pooling in the Solar Vista Gas Unit.
2. Grant \$100.00 for operating expenses & 25% risk factors.
3. See Recommendations for case 2973 as to reasons for \$100.00 operating cost.

Shustler

ATWOOD & MALONE
LAWYERS

P. O. DRAWER 700
TELEPHONE 5051, 522 5221
SECURITY NATIONAL BANK BUILDING
ROSWELL, NEW MEXICO

JEFF D. ATWOOD (1933-1960)
ROSS L. MALONE
CHARLES F. MALONE
RUSSELL D. MANN
EUGENE A. COOPER
BOB E. TURNER
JOHN A. JOHNSON

January 16, 1964

New Mexico Oil Conservation Commission
State Land Office Building
P. O. Box 871
Santa Fe, New Mexico

RE: Docket of January 22, 1964
Cases No. 2972, 2973 and 2974

Gentlemen:

We enclose herewith our entry of appearances as local counsel for Pan American Petroleum Corporation in Cases No. 2972, 2973 and 2974 on your docket for January 22, 1964. Would you please file the same.

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

Very truly yours,


for ATWOOD & MALONE

PC/tc

Enclosures

cc: J. K. Smith, Esquire
Pan American Petroleum Corporation
Fort Worth, Texas

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF PAN AMERICAN PETROLEUM COR-)
PORATION FOR AN ORDER FORCE-POOLING)
ALL MINERAL INTEREST IN THE BASIN) No. 2972
DAKOTA POOL UNDERLYING THE W¹/₂)
SECTION 22, TOWNSHIP 29 NORTH, RANGE)
13 WEST, CITY OF FARMINGTON, SAN JUAN)
COUNTY, NEW MEXICO)

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, for Pan American
Petroleum Corporation.

DATED at Roswell, New Mexico, this 16th day of January,
1964.

ATWOOD & MALONE

By 

P. O. Drawer 700
Roswell, New Mexico

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 22, 1964

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
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Welch State No. 1-W, 1330 feet from the South and West lines;

Welch State No. 4-W, 2630 feet from the South line and 2230 feet from the West line;

Case 2970 continued from page 1

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- CASE 2974: Application of Pan American Petroleum Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (conventional) of its South Mattix Unit Well No. 16, located in Unit O of Section 15, Township 24 South, Range 37 East, Lea County, New Mexico, to produce gas from the Fowler Paddock and Fowler Tubb Gas Pools and from an undesignated Lower Paddock through parallel strings of tubing.
- CASE 2975: Application of Amerada Petroleum Corporation for an un-orthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an un-orthodox location for a proposed triple completion in the Vacuum-Devonian, Vacuum-Wolfcamp, and North Vacuum-Abo Pools, Lea County, New Mexico, said well to be drilled at a point within 200 feet of the center of the NE/4 SW/4 of Section 36, Township 17 South, Range 34 East.

DRAFT

JMD/esr

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. 2972

Order No. R-2043

APPLICATION OF PAN AMERICAN
PETROLEUM CORPORATION FOR
FORCE-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 January 22, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz. ~~Examiner Elvis A. Utz, who was 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 January, 1964, the Commission, a quorum being present, having considered the ~~applicant's~~ testimony, the record, ~~and the recommendations of the Examiner,~~ and the recommendations of the Examiner, _____, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Pan American Petroleum Corporation, seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool underlying the W/2 of Section ²²~~13~~, Township ²⁹~~30~~ North, Range ¹³~~12~~ West, NMPM, San Juan County, New Mexico.
- (3) That the applicant has the right to drill and proposes to drill a well 940 feet from the South line and 790 feet from the West line of said Section ²²~~13~~ to be projected to the Dakota formation. ~~Examiner's Report~~
- (4) That there are interest owners in the proposed proration unit who have not agreed to pool their interests.

(5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said proration unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in the Basin-Dakota Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional ^{25%}~~40~~ percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that said actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) That \$ 75 per month should be fixed as the reasonable cost of operating the subject well and each non-consenting working interest owner should be assessed with his share of such cost, to be paid out of production.

(12) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in

escrow to be paid to the true owner thereof upon demand and proof of ownership.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool underlying the W/2 of Section ~~22~~²², Township ~~30~~³⁸ North, Range ~~12~~¹³ West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit to be dedicated to a well to be drilled 940 feet from the South line and 790 feet from the West line of said Section 22.

(2) That Pan American Petroleum Corporation is hereby designated the operator of the subject well and unit.

(3) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of estimated well costs within 30 days following the date of this order.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.

(B) As a charge for the risk involved in the drilling of the well, ~~40%~~^{25%} of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.

(6) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(7) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of actual well costs within 30 days following completion of the well; that if no objection to the actual well costs is received by the Commission and the Commission has not objected within 60 days following completion of the well, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 60-day period, the Commission will determine reasonable well costs after public notice and hearing.

(8) That within 30 days following determination of reasonable well costs any non-consenting working interest owner that has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(9) That \$ 75 per month is hereby fixed as the reasonable cost of operating the subject well, and the operator is hereby authorized to withhold from production the proportionate share of such cost attributable to each non-consenting working interest.

(10) That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow

in San Juan County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; *that the operator* ~~The Commission~~ *notify the Comm of* shall be notified as to the name and address of said escrow agent within 90 days from the date of this order.

(13) 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.

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

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

January 29, 1964

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

Re: Case No. 2972
Order No. R-2643
Applicant:
Pan American Petroleum Corporation

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

ir/

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC
Atec OCC x

OTHER List of known owners which is attached to Application in Case 2972

Printed Orders Mailed 1-31-64

AL

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. 2972
Order No. R-2643

APPLICATION OF PAN AMERICAN
PETROLEUM CORPORATION FOR
FORCE-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 January 22, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 29th day of January, 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 the applicant, Pan American Petroleum Corporation, seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool underlying the W/2 of Section 22, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant has the right to drill and proposes to drill a well 940 feet from the South line and 790 feet from the West line of said Section 22 to be projected to the Dakota formation.
- (4) That there are interest owners in the proposed proration unit who have not agreed to pool their interests.
- (5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said proration unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in the Basin-Dakota Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 25% thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that said actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) That \$75.00 per month should be fixed as the reasonable cost of operating the subject well and each non-consenting working interest owner should be assessed with his share of such cost, to be paid out of production.

(12) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool underlying the W/2 of Section 22, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit to be dedicated to a well to be drilled 940 feet from the South line and 790 feet from the West line of said Section 22.

(2) That Pan American Petroleum Corporation is hereby designated the operator of the subject well and unit.

(3) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized

schedule of estimated well costs within 30 days following the date of this order.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator is hereby authorized to withhold the following costs and charges from production:

- (A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.
- (B) As a charge for the risk involved in the drilling of the well, 25% of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.

(6) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(7) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of actual well costs within 30 days following completion of the well; that if no objection to the actual well costs is received by the Commission and the Commission has not objected within 60 days following completion of the well, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 60-day period, the Commission will determine reasonable well costs after public notice and hearing.

(8) That within 30 days following determination of reasonable well costs any non-consenting working interest owner that has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(9) That \$75.00 per month is hereby fixed as the reasonable cost of operating the subject well, and the operator is hereby

-4-

CASE No. 2972

Order No. R-2643

authorized to withhold from production the proportionate share of such cost attributable to each non-consenting working interest.

(10) That any unsevered mineral interest shall be considered a seven-eighths ($7/8$) working interest and a one-eighth ($1/8$) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in San Juan County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

(13) 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

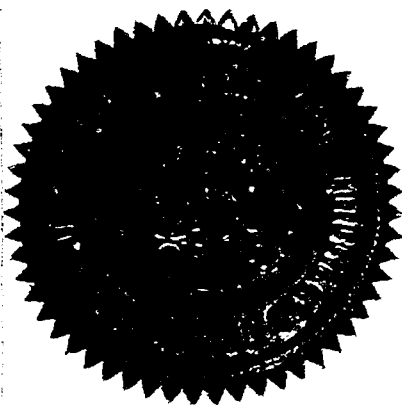
JACK M. CAMPBELL, Chairman

E. S. Walker

E. S. WALKER, Member

A. L. Porter, Jr.

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



esr/

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
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 22, 1964

EXAMINER HEARING

IN THE MATTER OF:

Application of Pan American Petroleum
Corporation for force-pooling, San Juan
County, New Mexico.

Case No. 2972

BEFORE: ELVIS A. UTZ, EXAMINER

TRANSCRIPT OF HEARING



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 22, 1964

EXAMINER HEARING

IN THE MATTER OF:

Application of Pan American Petroleum
Corporation for force-pooling, San
Juan County, New Mexico

CASE NO. 2972

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MR. UTZ: The hearing will come to order. Case No. 2972.

MR. DURRETT: Application of Pan American Petroleum
Corporation for force-pooling, San Juan County, New Mexico.

MR. BUELL: For Pan American Petroleum Corporation, Guy
Buell. We will have two witnesses for this case.

(Witnesses sworn)

GEORGE W. EATON,
called as a witness herein, having been first duly sworn on oath,
was examined and testified as follows:

DIRECT EXAMINATION

BY MR. BUELL:



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DIRECT EXAMINATION

BY MR. BUELL:



Q Mr. Eaton, would you state your complete name and by whom you are employed and in what capacity and in what location?

MR. UTZ: Just a minute. Just a minute. I will call for other appearances. There are none. Let the record show there were none.

A George W. Eaton, Jr., Senior Engineer for Pan American Petroleum Corporation, Farmington, New Mexico.

Q Mr. Eaton, you have testified at previous hearings before the Commission, and your qualifications as a petroleum engineer are a matter of public record, are they not?

A They are.

Q Would you direct your attention to what has been marked as Pan American's Exhibit Number One, Mr. Eaton, and briefly state what that exhibit reflects?

A Exhibit Number One is a map of a portion of the Basin Dakota Gas Pool in San Juan County, New Mexico. Specifically, the area shown is that in the vicinity of the south part of the town of Farmington, New Mexico, in Township 29 North, Range 13 West.

The specific area that we are concerned with in Case 2972 is the West Half of Section 22, Township 29 North, Range 13 West.

Q How have you designated that half section on Exhibit One?

A This West Half of Section 22 is outlined with a red border. It is the proposed Totah Vista Gas Unit.

Q How have you designated the producing Dakota wells in this



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immediate area?

A The nearby wells completed in the Basin Dakota Gas Pool are circled and colored in brown.

Q Would you say, for all practical purposes, Mr. Eaton, that this proposed unit is completely surrounded by producing Dakota gas wells?

A It is surrounded in all directions except possibly due north, which is inside the town of Farmington, where there are no wells directly north of the proposed Totah Vista Gas Unit.

Q Mr. Eaton, in view of these producing Dakota wells in the immediate vicinity, in your opinion, is not a well needed on this proposed unit in order to protect the correlative rights of all the owners of interest under this acreage?

A In my opinion, a well is definitely needed to develop the West Half of Section 22 in order to protect the correlative rights of those owners of interest of this Half Section.

Q Mr. Eaton, as our later testimony will show, there are several small uncommitted tracts in this proposed unit, which we are attempting to force-pool here today. In your opinion, is it necessary to force-pool in order to protect the rights of all these various owners of interest, whoever they may be?

A In my opinion, force-pooling these interests is the most practical way that correlative rights can be protected. It would be possible, but not practical to actually drill a well on each of these small tracts. It would be wasteful because one well is not



needed to adequately, one well on each of these small tracts is not needed to adequately develop and drain this half section.

Q So, would it then be your opinion that the only way you can effectively protect the correlative rights of all owners of interest, as well as prevent waste, is by the force-pooling which we are seeking here today?

A That is correct.

Q Mr. Eaton, would you direct your attention now as to what has been marked as our Exhibit Number Two, and briefly state for the record what that exhibit reflects?

A Exhibit Number Two is a copy of Form C-128, which shows the acreage to be dedicated to the Totah Vista Gas Unit, as well as the orthodox location for the Totah Vista Gas Unit Well Number One. That location is 790 feet from the West line and 940 feet from the South line of Section 22. I have examined that location on the ground and know it personally to be a suitable drill site.

Q In your opinion, will a well located at that specific location or spot adequately serve the proposed Totah Vista Gas Unit?

A Yes, sir.

Q Mr. Eaton, in your opinion, what will be the approximate operating expense of Pan American for this proposed unit?

A I estimate that the operating expense will be approximately \$115.00 per month.

Q Mr. Eaton, you have testified that for practical purposes



this proposed unit is completely surrounded by producing Dakota wells. Would I take it then, in your opinion, there is not much risk from a productivity standpoint of this proposed unit?

A In my opinion, it would be highly unlikely a dry hole would be drilled anywhere in the West Half of Section 22. The risk, I would say, of a dry hole then would be rather small.

Q Well, in view of that, are you recommending any risk factor be included in the order, assuming the Commission approves our application?

A I am recommending that a risk factor of 25% be included. This will cover the normal and inherent drilling hazards always present in drilling any oil or gas well.

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

A No, sir, I believe not.

MR. BUELL: That is all we have from Mr. Eaton at this time, Mr. Examiner. Our next witness, Mr. Galligan, will testify in detail as to the efforts of Pan American to voluntarily form a unit in the West Half of this section.

MR. UTZ: He will also testify as to the people that you are pooling here?

MR. BUELL: He will testify insofar as he can, Mr. Examiner. We are really pooling the lands and not the people in a lot of instances, with respect to the uncommitted tracts.

MR. UTZ: Are there questions of the witness?



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MR. DURRETT: I have one question. This may be deferred to the next witness if you choose.

CROSS EXAMINATION

BY MR. DURRETT:

Q Are you pooling some working interests here; is there a fee land involved?

A There is working interest involved to this extent, that it is some tracts that are not leased at all, so that the title is still fee simple, so far as we know. There are no owners of leasehold interest as such that are being force-pooled.

Q I see. But, you do have some fee acreage that has not been leased?

A That is correct.

Q All right. Now, one other question, on your \$115.00 a month that you have recommended for operating expense, what do you base that on, the wells in the immediate surrounding area?

A Yes, sir. That includes, the \$115.00 per month includes all overhead charges, as well as direct charges. Our actual direct charges for operating cost of Basin Dakota wells are approximately \$50.00, but when all overhead charges and all charges of that nature are added, in our actual experience, the cost is approximately \$115.00.

MR. DURRETT: Thank you.

* * * * *



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MR. UTZ: So, your supervisory overhead cost is \$65.00 a month?

A Yes, sir.

MR. UTZ: Are there other questions? The witness may be excused.

MR. BUELL: We call next Mr. Galligan.

GERALD G. GALLIGAN,

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

DIRECT EXAMINATION

BY MR. BUELL:

Q Mr. Galligan, would you state your complete name, please, sir, by whom you are employed, and in what capacity, and in what location?

A Gerald G. Galligan, I am Senior Land Man for Pan American Petroleum Corporation in Farmington.

Q Mr. Galligan, in your capacity with Pan American as a Senior Land Man, are you completely familiar with all of the efforts and the negotiations on the part of Pan American to voluntarily form our proposed Totah Vista Gas Unit?

A Yes, sir.

Q It might be of benefit to the record and to the examiner if you could give us an estimate of the time that you have



personally spent working in this area of this proposed unit?

A We have been trying to lease these small unleased tracts and shown on the map here in this area, and up here and a few over in this area.

Q Let the record show that the witness is referring to Exhibit Three, which we haven't come to, but which we will get to. Go right ahead, Mr. Galligan.

A We started about two years ago, and I would estimate that I have spent a quarter of my normal working time, with the exception of about eight months during which time all of our lease buying was suspended.

Q Mr. Galligan, you said your normal work day. Have you not also spent some time in the evenings and on week ends in attempting to run down these owners?

A Because of the nature of the area, there are a number of families living on the land down there who were - - where the husband and wife both work, and the only time I could contact them is after working hours in the evenings, or during week ends.

Q Mr. Galligan, now, let me direct your attention to what has been marked as our Exhibit Number Three, and would you briefly relate for the record, please, what that exhibit reflects?

A This exhibit covers all of Section 22, the East Half is the Pan American operated White Gas Unit, which is producing. The West Half is the proposed Totah Vista Gas Unit. All of the tracts shown in white are leased, leases either owned by Pan



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American or by other operators who have signified their willingness to join the unit.

This area in green is practically in the same category except that the tracts are so small that we simply colored it. The tracts are too small to show individual and varied co-ownerships. So, in that respect, the green and the white are the same in this area.

Q By this area, you are pointing to the Upper North portion?

A Approximately the West Half of the Northwest-Northwest.

Q Yes, sir.

A This is a mixed area of small, I'd say, third class homes, trailer sites, and vacant lots. I would say it was probably 65 percent occupied by resident owners. The remainder are non-resident owners.

Q Is it the type of development area that would appear to appeal to what we would normally call migratory workers, kind of here today, gone tomorrow?

A That is the history of that area. That is why it has been so difficult to lease. In some instances, the owners of these small tracts or lots occupied them for a year or two or three years, then sold the surface rights and moved away and retained the minerals. It is just by chance that you find someone like that, because they disappear from the assessor's records, and there is no occasion to have a current address for them on the records.

We have been able to locate quite a few of them through



contact with neighbors and relatives and things like that.

Q Mr. Galligan, in this area that you have been describing so far, is that area the northern portion of the East Half-West Half of Section 22, the town limits of Farmington? Would you drop down now to what I believe is the Totah Vista subdivision outside the town limits of Farmington and describe for the Examiner what type of area that is?

A This is generally the same type of area, as far as the type of ownership is concerned. However, in this area, the prior owner reserved half the minerals. An owner who has signified his willingness to join the unit owns a half interest lease on all of this. The developers of the unit overlooked retaining the minerals, so there are 136 lots in this subdivision. The lots average about a quarter of an acre in aerial extent, which means that each individual owner has approximately 1/8th of that mineral acre to lease. I bought 66 leases in that there, 66 separate leases. Of course, the other half interest is covered by the one lease.

Q Mr. Galligan, let me interrupt you here. We don't want to burden the record. I wish you would go back up now to some of those pink tracts in the town limits of Farmington and pick out one or two or three and give the Examiner a little history of that tract and your efforts in attempting to voluntarily get these tracts in the unit?

A Well, I could give you the case history on every one in here, but it would be a little boring. I will pick a few, as you

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say.

Q By that tract, you are pointing to the extreme Northwest corner?

A Extreme Northwest corner.

Q Colored pink?

A That is owned by Burns Tool Company. Frankly, I have not anticipated any difficulty in leasing from them. But, their tract is up for sale, and on the advice of their California lawyers, they rejected our offer to lease on the basis that it would be an impediment to the sale. I haven't yet been able to convince them that it would not necessarily be true. But, they have answered our letters, and I finally, after several telephone conversations, sent them a certified letter. We have an answer back just stating flatly, "We don't care to do anything about it." So, the only recourse is to force-pool on them.

Q It appears that they are going to follow the advice of their California lawyers to join a producing unit would be an impediment on the sale of their property?

A Yes.

Q All right, sir. Pick another pink tract out of there.

A This tract belongs- -

Q This tract, that pink tract in the Northeast corner?

A Yes, sir. The only one along the highway. This is the Highway 17 here. The only one along the highway. This belongs to a truck driver who works for M & H Trucking Company in Farmington,



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only works intermittently. He is delinquent for his 1962 taxes, and under our leasing policy, we don't feel that we have an adequate lease where the tract is subject to sale to the State. In other words, we have been trying to get him to pay \$36.00 in back taxes, and at which time we would pay him \$46.00 for the lease, and he hasn't been able to raise the money to pay the \$36.00 in back taxes.

Q We can't take his lease until he does pay his taxes, and he, apparently, can't pay his taxes until we take the lease?

A That is correct.

Q Kind of a chicken or an egg. How did you arrive at the \$46.00 you offered him?

A This entire area had been thoroughly combed by two or three brokers and one or two company men. They had picked up all of the easily available leases in the area. The ones that were no problems, had no problems, they picked up. They were paying thirty-five to Fifty dollars an acre. On the basis of that, we went into the area, we realized that it had been worked over twice by other buyers, and in order to induce the remaining lessors to lease, we raised our price to a basis of \$100.00 an acre so that these small tracts would realize enough money out of it to make it worthwhile for them to go to the trouble of leasing. On that basis, this portion here, the West Half of the Northwest-Northwest, laid dormant for, I would say a period of possibly 18 months after the first attempts were made to lease. These two tracts were



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leased first and the brokers who were buying in there realized that they had undertaken an uneconomical procedure in buying these small tracts, and just bought these two and walked off and left it.

Q You are talking about the two tracts colored in green in the Northwest of the Northwest?

A Green, yes. All of this was just lying open until we decided to go into the area. The same thing applied down here. Approximately 44 lots in this area had been purchased by, in some cases, the same group of brokers that worked up here, but there were also some company men down here. They bought about 44 lots. When we went into the area, I took 66 individual leases in here, and about 35 in this area. So, now, it reduced it to almost an irreducible core of bad titles, delinquent tax tracts, and oh, such things as this tract, the first tract south of the first one I talked about here. There is a dispute over the ownership of the minerals in that. That was owned jointly by two men. One man contends that he paid the other man off four years ago, but neglected to obtain a quit claim deed from him. And he won't consent to having the other man join because he says he has no interest in it. We don't care particularly to take a half interest lease on a tract that small. We are still trying to work that difficulty out. It is possible that this, and some of these other tracts, will become available for lease for this reason, in this area, about six had been sold to the State for delinquent taxes.



Q This area, you are down to the Total Vista?

A Yes. About six lots in here had been sold to the State, transferred, title had been transferred to the State Tax Commission. I investigated that angle and I find out that the State Tax Commission has no authority to issue an oil and gas lease. We are still stymied on those. Although, in a recent check I made about ten days ago, I find that two of these tracts were in the category at the time we made the listing, on a recheck, I find that they have changed ownership, and presumably, if they were very smart, they picked up the back taxes to redeem that from the State before they bought it, or at the time they bought it.

Q All right.

A So, that leaves the possibility of some of these that are colored in pink still being available as soon as we can locate the new owners.

Q Let's make this clear, Mr. Galligan, although we are asking for force-pooling, as Mr. Eaton's testimony pointed out so graphically, the violation of correlative rights in an area is eminent due to the number of other producing Dakota wells, even assuming the Commission approves our force-pooling request, we still intend to work diligently in that area where we can voluntarily bring these uncommitted interests in?

A Yes. That is true, yes. We would rather have the acreage under lease, or voluntarily join than to force-pool them, and there are several of these tracts that will eventually, within



a reasonable time, come into the category that I was talking about where redemption had been made of delinquent tax.

Q But, the problem we run into in waiting, we have been working on this unit two years, and still not voluntarily pooled, even with all your expense in that area. I don't believe you would want to predict when each and every one of those tracts colored in pink might be voluntarily pooled?

A That is right.

Q So, it is pretty obvious that force-pooling is the only answer?

A Only answer at the present time on these that are colored- -

Q Would you point out one or two pink tracts in the Totah Vista subdivision and give us a little background on those, the problems you have ran into?

A This is Lot Three of Block One. We have been completely unable to locate the owner of the minerals under the tract. There is a surface owner, but that comes in the category that I mentioned awhile ago, where the surface has been sold and the mineral owner simply disappeared. This tract was sold just recently to the- -

Q By that tract, do you mean the extreme pink tract in the Northeast corner of the Totah Vista subdivision?

A Yes. I made contact with that man on the average of once a month over all the period I have been working in there to



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remind him that he was delinquent in taxes. When I first started to work on him, his taxes were only delinquent for one year behind the current year, and he just kept delaying and delaying, and now, it has been transferred to the State Tax Commission. He still has made no effort to redeem it.

On this tract, we have a flat refusal.

Q What tract is that, can you designate it?

A It is Block-- I mean, Lot Four, I believe, yes, Lot Four in Block Two. We have a written refusal to lease on this tract.

Q What about the tract that has got the Federal tax lien on it, what is that tract?

A This tract is an exception to the general statement I made while ago about the class of housing in that area. This tract is landscaped and well developed and has about, I would say, seventeen or eighteen thousand dollar home on it. It belongs to a widow, who married a man who is in business, second marriage, and she owned the property at the time.

Q At the time they married?

A Yes. Then, he was involved in some other complications or complicated dealings with the Internal Revenue Service in Farmington, and wound up with a \$30,000.00 lien on this tract, tax lien, which makes it impossible for us to obtain a valid lease.

Q Have you attempted to work through the Internal Revenue



Service to get that tax lien lifted and subordinated to our lease?

A Yes. I started negotiations with them about a year and a half ago. They sent the complete file to Albuquerque with a request that a review be made and with some suggestions be made as to how we could go ahead and take a lease and obtain a subordination. I have checked with him on the average of once a month since that time, and checked with him actually about Wednesday of last week, and he still had not had a reply from the Albuquerque office with any suggestions as to how we can proceed on the thing.

I asked him specifically about the time he would estimate to clear, if it cleared by the Albuquerque office, to obtain a subordination of that tax lien based on the assumption that we would pay to the Internal Revenue Service the \$25.00 which would be payable for the lease, and he said rather reluctantly, that if we were lucky, we might get a subordination in two years.

Q Mr. Galligan, these examples of your trials and tribulations as a land man in that area, are pretty well representative of all these pink tracts?

A All of them, yes.

Q Now, I don't believe we ought to go into any more unless the Examiner- -

A Unless you want to hear more of our problems. I can give you the details on every tract in there, if you would like to hear it.

MR. UTZ: No, I don't think that is necessary.



A I don't think you would want to listen to it.

MR. BUELL: The main thing we wanted to accomplish through Mr. Galligan, Mr. Examiner, is conclusively show that Pan American has made every reasonable effort, has been completely diligent in trying to voluntarily form this Totah Vista Unit. We have worked on it two years. We have just reached the end of our rope time wise with all the producing wells in the area. I believe that is all. The record is pretty clear that we have been very active in that area. That is all we have from Mr. Galligan, at this time, Mr. Examiner.

* * * *

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Galligan, in this list that you people sent us as a part of the file in this case, does that, or does that not, include all the people that you know--

A Includes every one that we know-- that we knew about at the time that list was made, which was about three weeks ago. Since that time, the two changes that I mentioned awhile ago, because of change of ownership, and presumed payment of back taxes, would change the record owner on that. We could supplement that list, if you desire.

MR. BUELL: Let me make a suggestion there. We would have to supplement it every day for it to mean anything, because

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these small tracts, the ownership just changes day by day.

MR. UTZ: There are at least 36 or such matter people involved in this unit, which you do not have leases from at the present time?

A Yes.

MR. BUELL: Yes, sir.

MR. UTZ: Are there any questions?

MR. BUELL: Every tract that is leased will voluntarily come into the unit. There is not a leased tract yet where we have had a refusal.

MR. UTZ: If there are no questions, the witness may be excused. Do you have anything further?

MR. BUELL: Mr. Examiner, I would like to formally offer Pan American's Exhibits One through Three inclusive.

MR. UTZ: Without objection, Exhibits One through Three will be entered into the record in this case.

MR. DURRETT: Let me ask one question, Mr. Examiner, if you would. I will direct it to either of the witnesses that would like to answer it. Mr. Galligan, maybe since you are familiar with the acreage involved, let's take one tract, say, for example, the man that had to have the Federal lien.

A This tract.

Q Well, pick another one, because that is not a good one to talk about. One that possibly might be leased at a later date.

A Well, I will explain the history of this one, which is



fairly interesting.

MR. BUELL: Now, we are back in the town limits of Farmington?

A This is into the town limits. This tract was purchased as a commercial tract by a firm, Rogers Rental Company, that used to operate a rental service in Farmington. They gave up their business in Farmington and moved to Calgary, Canada. When I got to checking the title, I found that their title is very bad, because they bought that under a description as Block 4, Lot 4 of the I. D. Bowen Subdivision. The plat on the I. D. Bowen Subdivision was never placed of record. From a lien standpoint it is fatally defective. I have been in correspondence with them over a period of the last three months, and I have offered to -- since I am on the ground, I have offered to obtain a correction deed for them with their permission to start meddling with their title, and I have the letter back, but what broke the negotiations down was the fact the last letter I had from them, the Canadian attorneys asked if we would pay the attorneys' fees, and we are stymied at that point at the present time. I am going to answer their letter and tell them that we are not -- if the tract isn't worth enough to pay their attorneys' fees, that we are not going to volunteer to pay their attorneys' fees for them. But, there is a possibility that that tract will come in.

MR. BUELL: We are willing to help them every way we can.

MR. DURRETT: I can see that would break down the



negotiations possibly, but how much acreage is involved in that particular tract they were talking about?

A .58ths of an acre.

MR. DURRETT: I am approaching my thought from this angle, say, that Pan American was granted the \$115.00 per month, use a hundred dollars if you want to, as a round figure, operating expense, what would be the rough estimate of the share that that tract would pay; it would be down in the cents, would it not?

A Oh, yes, it would be very small. Would be almost--

MR. DURRETT: Probably a few pennies?

A \$115.00 spread over 325 acres, and down to .58ths of an acre, would be almost without consequence.

MR. BUELL: Something like a nickel or a dime.

MR. DURRETT: The point I was trying to get at, \$115.00 per month operating expense would be negligible to any party that you have been talking about here today?

A Yes, sir. Incidentally, unless my memory is wrong, this tract and this tract are the two largest individual tracts, individually owned tracts, that would be affected by that, I mean, where one owner would be affected by that.

MR. DURRETT: Thank you. I think that is all.

* * * * *

MR. BUELL: Mr. Galligan, do you have some estimate of the total acreage reduced to mineral acres, something like that, to give us an idea just how small a portion of that total unit we



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are talking about?

A The last calculation I made on that, which is subject to some revision because of these changes of ownership, I came up with somewhere between three and a half and four acres as an overall total of the number of acres that would be force-pooled.

MR. BUELL: Thank you, Mr. Galligan. So, actually, from the standpoint of operating expense, risk factor, et cetera, we are really talking about a very small volume of money.

MR. EATON: I think you have put your finger on a very important point, to point out the reason we would prefer not to have force-pooling actions at all, because the bookkeeping on it is not worth it.

MR. GALLIGAN: We had rather take it under lease, or have them voluntarily join. One man who refused, if you don't mind my pointing out one more case, this man had flatly refused to lease and had refused to join and up until last Friday, we had him set up as a tract that would be necessary to force-pool. Friday morning, his wife called me and said he had signed the 850, which is authorization to join and pay his proportionate share.

MR. BUELL: He came in as a working interest?

MR. GALLIGAN: Owning approximately .89ths of an acre, which is another problem for us. I mean, we accepted it rather than force-pool him, though.

MR. DURRETT: I guess we could come to the conclusion then, Mr. Galligan, that if you really in fact were a non-consenting



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working interest owner or non-consenting interest, best way to get to the Pan American would be to agree then, wouldn't it?

MR. BUELL: That is all we have, Mr. Examiner.

MR. UTZ: Are there any statements to be made in this case? If not, the case will be taken under advisement.

* * * * *

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 30th day of January, 1964.

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. 2872, heard by me on Jan 29, 1964.

Examiner
New Mexico Oil Conservation Commission



1

Mr. J. S. Porter, Jr.

711 E. 2d

Ref. 871

Santa Fe. New Mexico

2

PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 480, Farmington, New Mexico
January 7, 1964

File: N-9-986,510.1

Subject: Application of Pan American
Petroleum Corporation For A
Compulsory Pooling Order
Basin Dakota Pool
W/2 Section 22, T-29-N, R-13-W
San Juan County, New Mexico

Mr. A. L. Porter, Jr. (3)
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

Please refer to our letter of application dated December 27, 1963,
File: N-913-986,510.1, which stated that a list of known owners and the
last known address of those not voluntarily pooling their acreage in the
W/2 Section 22, T-29-N, R-13-W, Basin Dakota Pool, San Juan County, New
Mexico, was being compiled and would be furnished by separate letter.

Attached is the list of known owners and their last known ad-
dresses that cannot voluntarily pool their acreage in the Totah Vista Gas
Unit. As there are approximately 230 separate owners involved in the W/2
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owners in this proposed unit and are furnishing the attached list of those
owners whose acreage cannot be voluntarily pooled. We now have the approval
to pool from all other owners of leasehold and royalty interests.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION

T. M. Curtis
T. M. Curtis
District Superintendent

GWE:en
Attach.

DOCKET MAILED

Date 1-10-64
sh

LIST OF OWNERS IN TOTAH VISTA GAS UNIT
WHO CANNOT BE VOLUNTARILY POOLED
SAN JUAN COUNTY, NEW MEXICO

<u>Name</u>	<u>Street Address</u>	<u>Last Known Address</u>	<u>City & State</u>
J. T. Hastings	Address Unknown		
Frank Armenta	c/o Bolack B Square Ranch		Farmington, New Mexico
Mrs. George Weir			Hobbs, New Mexico
George Banks, Jr.	Farmington Highway		Aztec, New Mexico
R. L. Scarber	412 E. Broadway		Farmington, New Mexico
W. T. Murphy	404 Pima		Farmington, New Mexico
Phyllis Hardin White	2317 Fairview Avenue		Farmington, New Mexico
Albert Newell	c/o Hustler Press		Farmington, New Mexico
J. D. Campbell	P. O. Box 1402		Farmington, New Mexico
James B. Ashcroft	516 N. Wall Avenue		Farmington, New Mexico
Delbert Hines	P. O. Box 427		Maywood, California
Everett Earl Hall	1102 Oak		Dalhart, Texas
R. A. Salisbury	P. O. Box 1692		Farmington, New Mexico
Douglas F. Foutz	1204 N. Butler Avenue		Farmington, New Mexico
Tony Chavez	General Delivery		Farmington, New Mexico
Hazel G. Duke	2101 Lynwood Drive		Farmington, New Mexico
L. K. Busey	514 Concho Drive		Farmington, New Mexico
Everett K. Shugren	Junker Trading Post		Gallup, New Mexico
Cox & Leighton			
c/o Robert L. Leighton	1400 N. Mesaverde		Farmington, New Mexico
A. L. Doughty	106 E. Aztec		Gallup, New Mexico
Christine G. Mowrer			Gallup, New Mexico
Donald C. McDonald			
c/o J. R. Puckett	616 E. Main		Farmington, New Mexico
J. J. DeWeerd	1111 E. Ute		Farmington, New Mexico
Thelma Gullidge	1634 Lake Boulevard		Redding, California
Cullen Butler	2212 Ridgcrest Drive		Farmington, New Mexico
Edna Smith	P. O. Box 117		Liberal, Missouri
Herman E. Smith	4560 Oxbow Drive		Sacramento, California
Reynaldo Lobato	P. O. Box 19		La Jara, New Mexico
Amador Lobato	General Delivery		Abiquiu, New Mexico
Mordoqueo Saiz	719 E. Bloomfield Road		Farmington, New Mexico
Burns Tool Company	8346 Salt Lake Avenue		Bell, California
Robert L. Hall	P. O. Box 91		Farmington, New Mexico
Charles O. Off	805 Crestview Drive		Farmington, New Mexico
S. T. Goodwin	Randolph Avenue		Farmington, New Mexico
John O. Rogers	1220 Contre Street North		Calgary, Alberta, Canada
Jack & Berta Lee			
Walker	121 Walker Road		Farmington, New Mexico

36
Copy of Order # - 2643
Mailed 1-31-64
JL

DOCKET MAILED

Date 1-10-64
JL

PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 480, Farmington, New Mexico
January 7, 1964

File: N-9-986.510.1

Subject: Application of Pan American
Petroleum Corporation For A
Compulsory Pooling Order
Basin Dakota Pool
W/2 Section 22, T-29-N, R-13-W
San Juan County, New Mexico

Mr. A. L. Porter, Jr. (3)
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

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owners in this proposed unit and are furnishing the attached list of those
owners whose acreage cannot be voluntarily pooled. We now have the approval
to pool from all other owners of leasehold and royalty interests.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION

Original Signed by
T. M. CURTIS

T. M. Curtis
District Superintendent

GWE:en
Attach.

LIST OF OWNERS IN TOTAL VISTA GAS UNIT
WHO CANNOT BE VOLUNTARILY POOLED
SAN JUAN COUNTY, NEW MEXICO

<u>Name</u>	<u>Street Address</u>	<u>Last Known Address</u>	<u>City & State</u>
J. T. Hastings	Address Unknown		Farmington, New Mexico
Frank Armenta	c/o Bolack B Square Ranch		Hobbs, New Mexico
Mrs. George Weir			Astec, New Mexico
George Banks, Jr.	Farmington Highway		Farmington, New Mexico
R. L. Scarber	412 E. Broadway		Farmington, New Mexico
W. T. Murphy	404 Pima		Farmington, New Mexico
Phyllis Hardin White	2317 Fairview Avenue		Farmington, New Mexico
Albert Newell	c/o Hustler Press		Farmington, New Mexico
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James E. Ashcroft	516 N. Wall Avenue		Farmington, New Mexico
Delbert Hines	P. O. Box 427		Farmington, New Mexico
Everett Earl Hall	1102 Oak		Maywood, California
R. A. Salisbury	P. O. Box 1692		Dalhart, Texas
Douglas F. Fouts	1204 N. Butler Avenue		Farmington, New Mexico
Tony Chavez	General Delivery		Farmington, New Mexico
Hazel G. Duke	2101 Lynwood Drive		Farmington, New Mexico
L. E. Bussey	514 Concho Drive		Farmington, New Mexico
Everett E. Shugren	Junker Trading Post		Gallup, New Mexico
Cox & Leighton			
c/o Robert L. Leighton	1400 N. Mesaverde		Farmington, New Mexico
A. L. Doughty	106 E. Astec		Gallup, New Mexico
Christina G. Mewrer			Gallup, New Mexico
Donald C. McDonald			
c/o J. R. Puckett			
J. J. DeWeerd	616 E. Main		Farmington, New Mexico
Thelma Gullledge	1111 E. Ute		Farmington, New Mexico
Cullen Butler	1634 Lake Boulevard		Redding, California
Edna Smith	2212 Ridgcrest Drive		Farmington, New Mexico
Harman E. Smith	P. O. Box 117		Liberal, Missouri
Reynaldo Lobato	4560 Oxbow Drive		Sacramento, California
Amador Lobato	P. O. Box 19		La Jara, New Mexico
Mordequee Sais	General Delivery		Abiquiu, New Mexico
Burns Tool Company	719 E. Bloomfield Road		Farmington, New Mexico
Robert L. Hall	8346 Salt Lake Avenue		Ball, California
Charles O. Off	P. O. Box 91		Farmington, New Mexico
S. T. Goodwin	805 Crestview Drive		Farmington, New Mexico
John O. Rogers	Randolph Avenue		Farmington, New Mexico
Jack & Berta Lee	1220 Centre Street North		Calgary, Alberta, Canada
Walker			
	121 Walker Road		Farmington, New Mexico

PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 480, Farmington, New Mexico
January 7, 1964

File: M-9-986.510.1

Subject: Application of Pan American
Petroleum Corporation For A
Compulsory Pooling Order
Basin Dakota Pool
W/2 Section 22, T-29-N, R-13-W
San Juan County, New Mexico

Mr. A. L. Porter, Jr. (3)
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

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Original Signed by

T. M. CURTIS

T. M. Curtis

District Superintendent

GWE:en
Attach.

LIST OF OWNERS IN TOTAL VISTA GAS UNIT
WHO CANNOT BE VOLUNTARILY POOLED
SAN JUAN COUNTY, NEW MEXICO

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B. T. Goodwin	Randolph Avenue	Farmington, New Mexico
John O. Rogers	1220 Centre Street North	Calgary, Alberta, Canada
Jack & Berta Lee		
Walker	121 Walker Road	Farmington, New Mexico

FORM 9-65

DATE

TO:

FLOOR NO.

REMARKS

FROM

PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 480, Farmington, New Mexico
December 27, 1963

File: N-913-986.510.1

Subject: Application of Pan American
Petroleum Corporation For A
Compulsory Pooling Order
Basin Dakota Pool
W/2 Section 22, T-29N, R-13W
San Juan County, New Mexico

Mr. A. L. Porter, Jr. (3)
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

Pan American Petroleum Corporation hereby makes Application for a hearing to consider the compulsory pooling of all mineral interests in the Basin Dakota Pool underlying the W/2 Section 22, T-29-N, R-13-W, San Juan County, New Mexico, to be known as the Totah Vista Gas Unit. A portion of the acreage in the W/2 Section 22 lies in the Totah Vista Sub-division of the Town of Farmington, New Mexico.

There are generally two classes of acreage in the W/2 Section 22 which cannot be voluntarily pooled. Six lots in subdivision have delinquent taxes and the title has passed to the State Tax Commission of New Mexico, who is not a body that can execute a valid oil and gas lease since the prior owner has the right of redemption. It is estimated that there are three fourths net mineral acre underlying these six lots. The other general class of acreage that cannot be voluntarily pooled is unleased minerals, for which we have either been unable to locate the owners or the owners have refused to lease. It is estimated that there is a total of three net mineral acres in this class.

In addition to the above parties, there is one owner of a leasehold interest who has not replied to our request to voluntarily pool.

There are approximately 230 separate leases involved in the W/2 of Section 22. A list of the known owners and the last known address of those not voluntarily pooling their acreage is being compiled and will be furnished by separate letter.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION

T. M. Curtis
T. M. Curtis
District Superintendent

DOCKET MAILED

CWE:en

*Check letter with list of owners
Send back to ...*

PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 480, Farmington, New Mexico
December 27, 1963

File: N-913-986.510.1

Subject: Application of Pan American
Petroleum Corporation For A
Compulsory Pooling Order
Basin Dakota Pool
W/2 Section 22, T-29N, R-13W
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PAN AMERICAN PETROLEUM CORPORATION


T. M. Curtis
District Superintendent

CHE:ea

PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 480, Farmington, New Mexico
December 27, 1963

File: M-913-986.510.1

Subject: Application of Pan American
Petroleum Corporation For A
Compulsory Pooling Order
Basin Dakota Pool
W/2 Section 22, T-29N, R-13W
San Juan County, New Mexico

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Santa Fe, New Mexico

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Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION


T. M. Curtis
District Superintendent

OWE:en

PAN AMERICAN PETROLEUM CORPORATION
 1 940 22 770
 SAN JUAN DAKOTA
 BEFORE EXAMINER

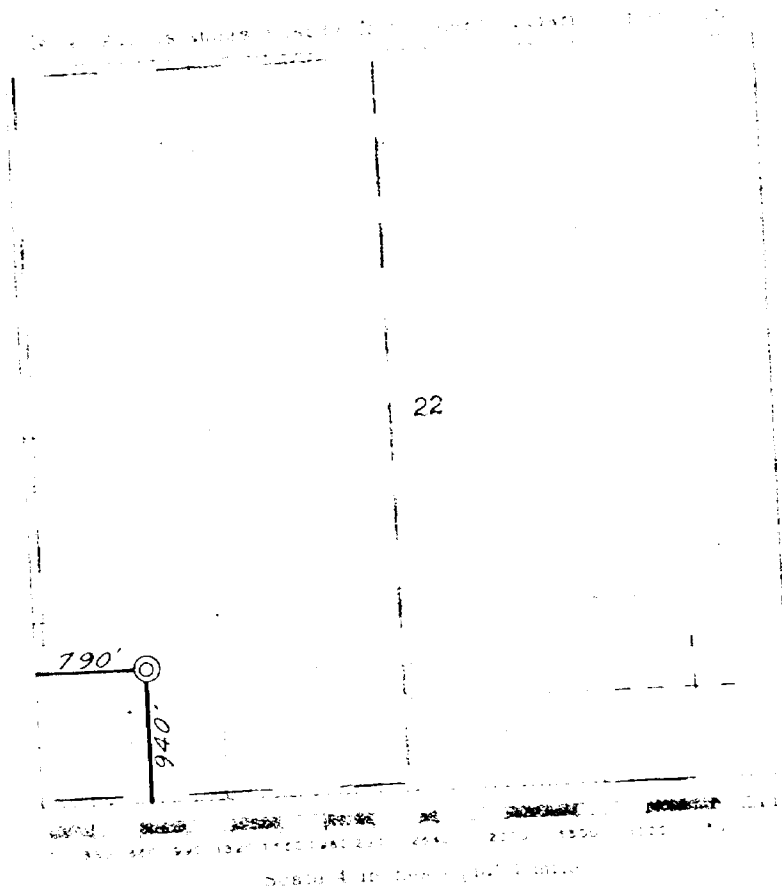
LOCH VISTA GAS UNIT
 25 NORTH 13 WEST,
 the WEST
 EAST DAKOTA

Information
 to be furnished to the
 Oil Conservation Commission

PAN AMERICAN PETROLEUM CORPORATION

E. H. Hollingsworth
 Petr. Engr.
 Box 483
 Farmington, New Mexico

BEFORE EXAMINER UTZ
 OIL CONSERVATION COMMISSION
 Exhibit NO. 2
 CASE NO. 2972



This plan was prepared from data furnished by the owner and is not to be used for any other purpose without the written consent of the owner.

12 SEPTEMBER 1963

James P. Leese E. Mex. Reg. No. 1463
 San Juan Engineering Company

Section A.

Applicant: PAN AMERICAN PETROLEUM CORPORATION

PROPERTY: LILLY HIT GAS UNIT

Well No. 1, East of the C 13 30 NORTH 12 WEST, S40W
 Section 1111, Township 10N, Range 10E, the NORTH 1850 the WEST
 County: SAN JUAN G.L. REPORT LATER Area: BASIN DAKOTA
 Name of Producing Formation: DAKOTA

1. Is the title of this plat only one of the titles of the property described herein?
 Yes ☐ No ☒
 2. If the answer to question 1 is "Yes," what is the title of the property described herein?
 Answer: ☐ ☐

3. If the answer to question 1 is "No," what is the title of the property described herein?
 Answer: ☐

Section B.

This is to certify that the information in Section A above is true and complete to the best of the knowledge and belief.

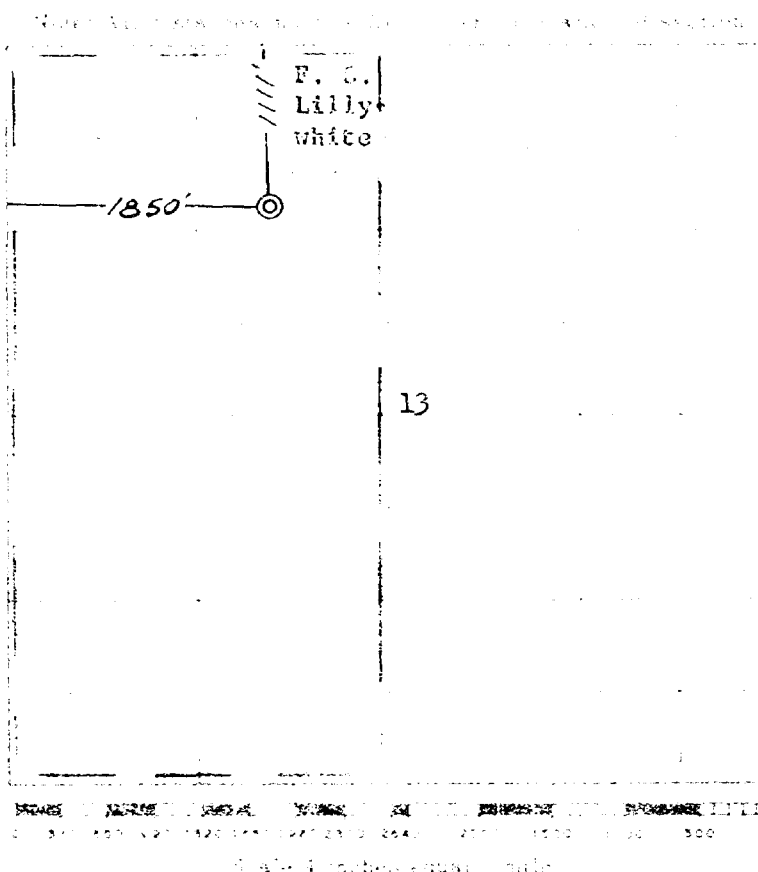
Pan American Petroleum Corp.

F. M. Hollingsworth

Box 480

Farmington, New Mexico

Ref: GLO plat dated 19 April 1981



I hereby certify that the above plat was prepared from field notes of actual surveys made under my supervision and that the same are true and correct to the best knowledge and belief.

Dated and signed: 19 December 1963

James P. Leese
 James P. Leese N. Mex. Reg. No. 1463
 San Juan Engineering Company



FORM 3 1-48

TO: N.M.O.C.C.

DATE

FLOOR NO.

REMARKS Santa Fe, New Mexico

FROM

PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 480, Farmington, New Mexico
May 14, 1964

1031 MAY 15 AM 1964

File: H-621-400.1

Subject: Schedule of Well Costs
Totah Vista Gas Unit No. 1
San Juan County, New Mexico

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

Dear Sir:

In accordance with the requirements of Force Pooling Order No. R-2643, we are listing below an itemized schedule of well costs for the Totah Vista Gas Unit No. 1, which includes all charges booked as of March 31, 1964.

Drilling Costs

Daywork - Drilling Contract	\$ 4,066.44	
Turnkey Contract	22,560.00	
Truck and Service Equipment	499.11	
Well Survey and Test Services	1,623.38	
Acidize, Shoot & Perforate	9,054.28	
Cementing Casing	5,893.81	
Geological & Engineering	99.79	
Other Labor - Company	520.86	
Other Labor - Contract	3,219.01	
Other Drilling Costs	250.59	\$47,787.27

Well Equipment

Well Head	\$ 3,022.50	
Casing	8,316.50	
Tubing	3,077.92	
Noncontrollable Tangible Equipment	885.13	\$15,302.05

Lease Equipment

General Lease Equipment	\$ 1,998.99	
Noncontrollable Tangible Material	148.63	\$ 2,147.62

Other Operating Expense

Administrative	\$ 317.65	\$ 317.65
----------------	-----------	-----------

Grand Total \$65,554.59

Page 2
Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission

May 14, 1964
File: H-621-400.1

Subsequent to the completion of the well, we have recently installed lease equipment in order to initiate the sale of gas and condensate. The cost of this equipment and its installation is not available to this office at this time. In the near future we will furnish revised cost data which will include this equipment and any adjustments that may be necessary for cost settlement to March 31, 1964.

Note that the above figures are not final well costs as detailed in the force pooling order. It is impossible to give this information within the specified 30-day period. We respectfully request an extension of this date to facilitate the reporting of the final well costs.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION

T. M. Curtis

T. M. Curtis
District Superintendent

JCG:ep

cc: Redfern Development Corp., P. O. Box 1747, Midland, Texas
J. H. Herd, P. O. Box 121, Midland, Texas
John J. Christman, 4th Floor, Great Plains Life Bldg., Lubbock, Texas
Jack Markham, 4th Floor, Great Plains Life Bldg., Lubbock, Texas
Vincent S. Mulford, Jr., 206 Daniel Building, Tulsa, Oklahoma
Rodney P. Calvin, 202 Patterson Building, Denver 2, Colorado
Weldon C. Julander, P. O. Box 44, Farmington, New Mexico

PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 480, Farmington, New Mexico
February 10, 1964

File: H-549-430

Subject: Force Pooling Order
No. R-2642 - Lillywhite
Gas Unit

Force Pooling Order
No. R-2643 - Totah
Vieta Gas Unit

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


Dear Sir:

In accordance with the provision of the subject orders we are forwarding herewith the Commission copy of the estimated well cost estimates previously furnished each known working interest owner for each of the wells. You will note we have indicated on each of our Forms 850 an estimated additional \$10,000 will be required for surface equipment.

A schedule of actual well costs incurred will be furnished the Commission and each known working interest owner of the respective units on completion of the wells.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION


T. M. Curtis
District Superintendent

GLM:en

Attachments - 2 (Forms 850)

EST. ULT. RECOVERY _____ BBLIS. _____ MMCF MONTHS TO PAY OUT _____ ROI _____ P.I. _____
SEC./PRIM. RATIO _____ DRAINAGE LOSS _____ % SALES DELAY _____ MOS ESTIMATED SUCCESS _____ %