

CASE 3175: Application of PAN AM.  
for an amendment of ORDER NO.  
R-2424, LEA COUNTY, N. MEX.

CASE NO.

3175

Application,  
TRANSCRIPTS,  
SMALL Exhibits  
ETC.

State of New Mexico  
Oil Conservation Commission



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

**December 28, 1964**

Pan American Petroleum Corp.

**A. L. PORTER, Jr.**  
**Secretary-Director**

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

**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. 3175  
Order No. R-2853**

**APPLICATION OF PAN AMERICAN PETROLEUM  
CORPORATION FOR AMENDMENT OF THE SPECIAL  
RULES AND REGULATIONS FOR THE FOWLER-  
BLINEBRY POOL, LEA COUNTY, NEW MEXICO.**

**ORDER OF THE COMMISSION**

**BY THE COMMISSION:**

This cause came on for hearing at 9 o'clock a.m. on December 15, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 28th day of December, 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 amendment of the Special Rules and Regulations for the Fowler-Blinebry Pool, promulgated by Orders No. R-2424 and No. R-2424-A, to provide for a limiting gas-oil ratio for oil wells in said pool of 6000 cubic feet of gas per barrel of oil.

(3) That approval of the subject application will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil and gas and for this purpose to use his just and equitable share of the reservoir energy.

**IT IS THEREFORE ORDERED:**

(1) That the Special Rules and Regulations for the Fowler-Blinebry Pool, promulgated by Orders No. R-2424 and No. R-2424-A,

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CASE No. 3175  
Order No. R-2853

are hereby amended by addition of the following:

**RULE 7.** The limiting gas-oil ratio shall be 6000 cubic feet of gas for each barrel of oil produced.

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

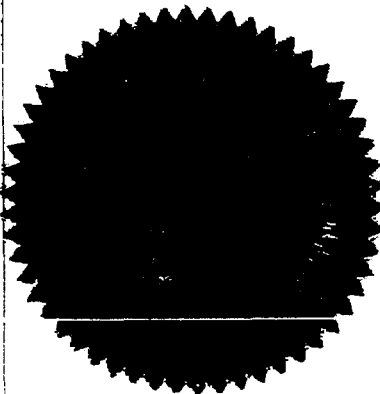
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

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

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

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



esr/

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 AMENDMENT OF )  
ORDER NO. R-2424, SPECIAL POOL )  
RULES FOR FOWLER BLINEBRY POOL, )  
LEA COUNTY, NEW MEXICO, TO PRO- )  
VIDE A LIMITING GAS-OIL RATIO FOR )  
OIL WELLS IN SAID POOL OF 6000 CUBIT )  
FEET OF GAS PER BARREL OF OIL. )  
\_\_\_\_\_ )

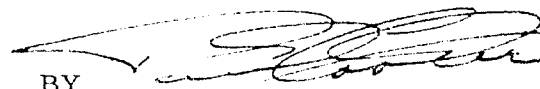
No. 3175

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 in the above entitled cause.

DATED at Roswell, New Mexico, this 9th day of December,  
1964.

ATWOOD & MALCNE



BY \_\_\_\_\_  
Attorneys for Pan American  
Petroleum Corporation  
Post Office Drawer 700  
Roswell, New Mexico

Case 3175

Heard 12-15-64

Rec. 12-17-64

1. Grant Pan Am's request for ~~an~~  
a GOR Limit of 6000:1 in the Towle  
Blindby oil Pool.
2. Add a Rule 7 to the present rules in  
R-#424 to the effect that the Pool GOR  
limit shall be 6000:1.

Thos A. W.

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. 2986  
Order No. R-2691

APPLICATION OF SHELL OIL COMPANY  
TO ESTABLISH A GOR LIMIT, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on February 5, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of April, 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, Shell Oil Company, seeks the establishment of a special gas-oil ratio limitation of 5,000 cubic feet of gas for each barrel of oil produced in the Mesa-Queen Pool, Lea County, New Mexico.

(3) That approval of the subject application will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil and gas and for this purpose to use his just and equitable share of the reservoir energy.

(4) That approval of the subject application will prevent waste and protect correlative rights provided the flaring or venting of gas in the Mesa-Queen Pool is prohibited.

(5) That in order to assure the protection of correlative rights, the operator of each well in the Mesa-Queen Pool should file a new gas-oil ratio test with the Commission's Hobbs District Office on or before May 31, 1964.



*Amended by addition of the following  
Rule 7:*

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CASE No. 2986  
Order No. R-2691

IT IS THEREFORE ORDERED:

(1) That, effective May 1, 1964, the limiting gas-oil ratio in the Mesa-Queen Pool, Lea County, New Mexico, shall be 5,000 cubic feet of gas for each barrel of oil produced; that, effective May 1, 1964, each proration unit in the Mesa-Queen Pool shall produce only that volume of gas equivalent to 5,000 multiplied by top unit oil allowable for the pool.

(2) That the operator of each well in the Mesa-Queen Pool shall file a new gas-oil ratio test with the Commission's Hobbs District Office on or before May 31, 1964, and shall furnish a schedule of test dates to the Commission's Hobbs District Office in order that the tests may be witnessed.

(3) That no gas shall be flared or vented in the Mesa-Queen Pool more than 60 days after a well begins to produce or 60 days after the effective date of this order, whichever is later. Any operator desiring to obtain an exception to this provision shall submit to the Secretary-Director of the Commission an application for such exception with a statement setting forth the facts and circumstances justifying it. The Secretary-Director is hereby authorized to approve such an application if he determines that the exception is necessary to prevent waste. If the Secretary-Director declines to grant administrative approval of the requested exception, the matter shall be set for hearing if the operator so requests.

(4) 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  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 2742  
Order No. R-2424

APPLICATION OF PAN AMERICAN PETROLEUM  
CORPORATION FOR TEMPORARY SPECIAL POOL  
RULES FOR THE FOWLER-BLINEBRY OIL POOL,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

NOW, on this 13th day of February, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Pan American Petroleum Corporation, is the owner and operator of a well in the Fowler-Blinebry Oil Pool, Lea County, New Mexico.

(3) That the applicant seeks the establishment of temporary special rules, including a provision for 80-acre proration units in the Fowler-Blinebry Oil Pool, Lea County, New Mexico.

(4) That the evidence presently available establishes that one well in the Fowler-Blinebry Oil Pool can efficiently and economically drain 80 acres.

(5) That the evidence presented concerning the reservoir characteristics of the Fowler-Blinebry Oil Pool justifies the establishment of 80-acre oil proration units for a temporary one-year period in order to enable the operators in the subject pool to gather additional information concerning recoverable reserves and reservoir characteristics of the pool.

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CASE No. 2742  
Order No. R-2424

(6) That during the one-year period in which this order will be in effect, all operators in the subject pool should gather all available information relative to drainage and recoverable reserves in the pool.

(7) That this case shall be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool should be prepared to appear and show cause why the Fowler-Blinebry Oil Pool should not be developed on 40-acre oil proration units.

IT IS THEREFORE ORDERED:

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

SPECIAL RULES AND REGULATIONS  
FOR THE  
FOWLER-BLINEBRY OIL POOL

RULE 1. Each well completed or recompleted in the Fowler-Blinebry Oil Pool or in the Blinebry formation within one mile of the Fowler-Blinebry Oil Pool, and not nearer to or within the limits of another designated Blinebry oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Fowler-Blinebry Oil Pool shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Secretary-Director may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well completed or recompleted in the Fowler-Blinebry Oil Pool shall be located within 150 feet of the center of either quarter-quarter section in the 80-acre unit.

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CASE No. 2742  
Order No. R-2424

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) in the Fowler-Blinebry Oil Pool shall be assigned an 80-acre proportional factor of 2.33 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the Fowler-Blinebry Oil Pool as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED:

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

(2) That any operator desiring to dedicate 80 acres to a well presently drilling or completed in the Fowler-Blinebry Oil Pool shall file a new Form C-128 with the Commission on or before March 1, 1963.

(3) That this case shall be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool may appear and show cause why the Fowler-Blinebry Oil Pool should not be developed on 40-acre proration units.

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

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CASE No. 2742  
Order No. R-2424

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

## PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 268  
Lubbock, Texas 79401  
November 12, 1964

File: JET-4331-986,510.1

Subject: Application of Pan American  
Petroleum Corporation for a  
Limiting Gas-Oil Ratio of 6,000  
Cubic Feet of gas per Barrel of  
Oil, Fowler Blinebry Oil Pool,  
Lea County, New Mexico

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

'64 Nov 13 PM 1:00

Dear Sir:

Pan American Petroleum Corporation, operator of the South Mattix Unit, respectfully requests that a hearing be docketed to consider its application for an addition to Fowler Blinebry Oil Pool field rules to provide for a limiting gas-oil ratio for oil wells of 6,000 cubic feet of gas per barrel of oil.

Yours very truly,

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

RGH:jb

cc: South Mattix Unit Partners  
Sinclair Oil and Gas Company  
Humble Oil and Refining Company  
Gulf Oil Corporation

DOCKET MAILED

Date 12-4-64

*W*

DOCKET: EXAMINER HEARING - TUESDAY - DECEMBER 15, 1964

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM, STATE LAND OFFICE

BUILDING - SANTA FE, NEW MEXICO

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

- CASE 3154: (Continued from the November 24th examiner hearing)  
Application of Atlantic Refining Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Culwin Queen Unit Area comprising 820 acres, more or less, of State and Federal lands in Townships 18 and 19 South, Ranges 30 and 31 East, Eddy County, New Mexico.
- CASE 3155: (Continued from the November 24 examiner hearing)  
Application of Atlantic Refining Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Shugart Pool in its Culwin Queen Unit Area by the injection of water into the Queen formation through six injection wells in Section 36, Township 18 South, Range 30 East, Section 31, Township 18 South, Range 31 East, Section 1, Township 19 South, Range 30 East, and Section 6, Township 19 South, Range 31 East, Eddy County, New Mexico.
- CASE 3163: Application of Gulf Oil Corporation for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard gas proration unit comprising the E/2 SE/4 of Section 28, and the NE/4 NE/4 of Section 33, Township 21 South, Range 37 East, Blinbry Gas Pool, Lea County, New Mexico. Said unit to be dedicated to its J. N. Carson Well No. 6 located in Unit P of said Section 28.
- CASE 3164: Application of Gulf Oil Corporation for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its W. A. Ramsay (NCT-A) waterflood project, South Eunice Pool, to include one additional water injection well to be located approximately 1320 feet from the South and West lines of Section 34, Township 21 South, Range 36 East, Lea County, New Mexico.
- CASE 3165: Application of Sam Boren & Major & Giebel Oils for a non-standard proration unit, Lea County, New Mexico. Applicants, in the above-styled cause, seek approval of a 104.18 acre non-standard oil proration unit comprising all of lots 1 and 2 of Section 1, Township 11 South, Range 33 East, South Lane Pool, Lea County, New Mexico, to be dedicated to a well to be drilled within 150 feet of the center of said lot 1.
- CASE 3166: Application of Tenneco Oil Company for four non-standard proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the following four non-standard oil proration units in the South Lane Pool:
- Unit No. 1, 93.61 acres comprising the E/2 SE/4 and Lot 1 of Section 6, dedicated to applicant's State "E" Well No. 1 located in Unit P of Section 6;
- Unit No. 2, 93.24 acres comprising the W/2 SE/4 and Lot 2 of Section 6, dedicated to applicant's State "E" Well No. 2 located in Unit J of Section 6.

December 15th Examiner Hearing

Unit No. 3, 92.87 acres comprising the E/2 SW/4 and Lot 3 of Section 6, dedicated to applicant's State "F" Well No. 1 located in Unit K of Section 6;

Unit No. 4, 81.76 acres comprising Lots 4, 5, and 6 of Section 6, dedicated to a well to be drilled 100 feet North of the center of Lot 5 of Section 6, all in Township 11 South, Range 34 East, Lea County, New Mexico.

CASE 3167: Application of IMC Drilling Mud, a division of International Minerals and Chemical Corporation for an amendment of Rule 107. Applicant, in the above-styled cause, seeks an amendment to Rule 107 of the Commission Rules and Regulations to provide an administrative procedure whereby oil-base casing packing material could be used in lieu of a portion of the portland cement normally used in cementing oil well casing.

CASE 3168: Application of Jake L. Hamon for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres, Glorieta and Yeso formations through the open hole interval from 5000 feet to 9000 feet in its Fannye M. Holloway Well No. 1 located in Unit B of Section 13, Township 17 South, Range 38 East, South Knowles Devonian Pool, Lea County, New Mexico.

CASE 3169: 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 E/2 of Section 14, Township 29 North, Range 11 West, San Juan County, New Mexico.

CASE 3170: 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 E/2 of Section 8, Township 30 North, Range 13 West, San Juan County, New Mexico.

CASE 3171: 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 S/2 of Section 23, Township 29 North, Range 11 West, San Juan County, New Mexico.

CASE 3172: 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 S/2 of Section 21, Township 29 North, Range 10 West, San Juan County, New Mexico.

CASE 3173: 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 S/2 of Section 31, Township 30 North, Range 12 West, San Juan County, New Mexico.



- CASE 3174: 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 N/2 of Section 28, Township 29 North, Range 10 West, San Juan County, New Mexico.
- CASE 3175: Application of Pan American Petroleum Corporation for an amendment of Order No. R-2424, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Order No. R-2424, Special Pool Rules for Fowler Blinebry Pool to provide a limiting gas-oil ratio for oil wells in said pool of 6000 cubic feet of gas per barrel of oil.
- CASE 3176: Application of Texaco Inc. for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (tubingless) of its C. C. Fristoe "b" (NCT-2) Well No. 9, located in Unit C of Section 35, Township 24 South, Range 37 East, Lea County, New Mexico, to produce oil from the Langlie Mattix, Justis Blinebry and North Justis Tubb-Drinkard Pools through 2-7/8 inch casing cemented in a common wellbore.
- CASE 3177: Application of Sinclair Oil & Gas Company for an amendment of Order No. R-1148, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1148, which order authorized a 160-acre non-standard Tubb gas pool proration unit comprising the W/2 SW/4, SE/4 SW/4, and SW/4 SE/4 of Section 26, Township 21 South, Range 37 East, Lea County, New Mexico, to be dedicated to its J. R. Cone Well No. 1 located in Unit M of said Section 26. Applicant seeks the rededication of said unit and the allowable accrued thereto to its J. R. Cone Well No. 2 located in Unit L of said Section 26.
- CASE 3178: Application of Shell Oil Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Comanche (San Andres) A Unit Area comprising 16,895 acres, more or less, of Federal, State and Fee lands in Townships 6 and 7 South, Ranges 25 and 26 East, Chaves County, New Mexico.
- CASE 3179: Application of Shell Oil Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Comanche (San Andres) B Unit Area comprising 20,456 acres, more or less, of Federal, State and Fee lands in Township 7 South, Range 26 East, Chaves County, New Mexico.
- CASE 3180: Application of Shell Oil Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Comanche (San Andres) C Unit Area comprising 15,081 acres, more or less, of Federal, State and Fee lands in Townships 7 and 8 South, Range 25 East, Chaves County, New Mexico.
- CASE 3181: Application of Shell Oil Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Comanche (San Andres) D Unit Area comprising 15,925 acres, more or less, of Federal, State and Fee lands in Township 8 South, Ranges 25 and 26 East, Chaves County, New Mexico.

December 15th Examiner Hearing

- CASE 3182: Application of Shell Oil Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Comanche (San Andres) E Unit Area comprising 12,323 acres, more or less, of Federal, State and Fee lands in Townships 8 and 9 South, Range 25 East, Chaves County, New Mexico.
- CASE 3183: Application of Shell Oil Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Comanche (San Andres) F Unit Area comprising 22,049 acres, more or less, of Federal, State and Fee lands in Townships 8 and 9 South, Ranges 25 and 26 East, Chaves County, New Mexico.
- CASE 2660: (Reopened and continued from the November 12, 1964 examiner hearing) In the matter of Case No. 2660 being reopened pursuant to the provisions of Order No. R-2348-A, which continued the original order establishing 80-acre proration units for the Middle Lane-Pennsylvanian Pool, Lea County, New Mexico, for an additional year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units. Midwest Oil Corporation also requests that the Middle Lane-Pennsylvanian Pool Rules, in addition to being made permanent, be amended to provide the definition of the vertical limits of said pool and the deletion of the fixed well location requirements as provided by said Order No. R-2348.
- CASE 3184: Application of Benson-Montin-Greer Drilling Corporation for an amendment of Order No. R-2565, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an amendment of Order No. R-2565 to permit the shutting-in of wells for interference tests, to permit the accumulation and transfer of back allowables for said shut-in wells, and to permit a transfer well to produce its own allowable plus a transferred allowable up to 100% of 1 top unit allowable for the Puerto Chiquito-Gallup Oil Pool at anytime during the period of one year after the original assignment of said allowable.

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. 2742  
Order No. R-2424-A

APPLICATION OF PAN AMERICAN PETROLEUM  
CORPORATION FOR TEMPORARY SPECIAL POOL  
RULES FOR THE FOWLER-BLINEBRY OIL POOL,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

NOW, on this 13th day of March, 1964, the Commission, a  
quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, and being fully advised  
in the premises,

FINDS:

- (1) That due public notice having been given as required by  
law, the Commission has jurisdiction of this cause and the subject  
matter thereof.
- (2) That by Order No. R-2424 dated February 13, 1963,  
temporary Special Rules and Regulations were promulgated for the  
Fowler-Blinebry Oil Pool.
- (3) That pursuant to the provisions of Order No. R-2424,  
this case was reopened to allow the operators in the subject pool  
to appear and show cause why the Fowler-Blinebry Oil Pool should  
not be developed on 40-acre proration units.
- (4) That the evidence establishes that one well in the  
Fowler-Blinebry Oil Pool can efficiently and economically drain  
and develop 80 acres.
- (5) That to prevent the economic loss caused by the drill-  
ing of unnecessary wells, to avoid the augmentation of risk  
arising from the drilling of an excessive number of wells, to  
prevent reduced recovery which might result from the drilling of

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CASE No. 2742

Order No. R-2424-A

too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-2424 should be continued in full force and effect until further order of the Commission.

(6) That the Special Rules and Regulations promulgated by Order No. R-2424 have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil in the pool.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the Fowler-Blinebry Oil Pool promulgated by Order No. R-2424 are hereby continued in full force and effect until further order of the Commission.

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

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

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMAS BLDG. • P. O. BOX 1092 • PHONE 243-4491 • ALBUQUERQUE, NEW MEXICO

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
December 15, 1964

EXAMINER HEARING

IN THE MATTER OF:

Application of Pan American Petroleum Corporation for an amendment of Order No. R-2424, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Order No. R-2424, Special Pool Rules for Fowler Blinebry Pool to provide a limiting gas-oil ratio for oil wells in said pool of 6000 cubic feet of gas per barrel of oil.

Case No. 3175

BEFORE: ELVIS A. UTZ, EXAMINER

TRANSCRIPT OF HEARING

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MR. UTZ: The hearing will come to order. Call Case 3175. In the matter of application of Pan American Petroleum Corporation for an amendment of Order No. R-2424.

MR. BUELL: For Pan American Petroleum Company, Guy

Buell, we have one witness, Mr. Howell.

(Witness sworn)

REX G. HOWELL

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

DIRECT EXAMINATION

BY MR. BUELL:

Q Mr. Howell, will you tell us your name, by whom you are employed, and in what capacity?

A I am employed by Pan American Petroleum Corporation as a petroleum engineer.

Q Mr. Howell, you testified at prior Commission hearings, your qualifications are a matter of record, aren't they?

A Yes, sir, they are.

MR. UTZ: Let me ask for other appearances.

MR. BUELL: Are his qualifications accepted?

MR. UTZ: Yes, they are.

Q (By Mr. Buell) I'd like to direct your attention first to what has been marked as Pan American's Exhibit 1. What is Exhibit Number 1, Mr. Howell?

A Exhibit Number 1 is a map of the Fowler Area showing

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the pertinent completion by color coding of the productive wells.

Q Mr. Howell, how many separate color codings are listed in the Fowler Area?

A Nine.

Q And what color have you designated the Blinebry completions on this?

A Orange.

Q How many are there?

A Five, sir.

Q Is this Blinebry reservoir a marginal economic reservoir?

A Yes, sir, it is.

Q With respect to these five completions that exist in the field, are most of these recompletions from another reservoir up into the Blinebry?

A Yes, they were.

Q In your opinion, Mr. Howell, if the Blinebry was the only reservoir in this area, would it support development by single wells with the objective being only the Blinebry?

A No, sir.

Q Would you expect all the future wells that will be completed in this reservoir to be recompletions of existing wells?



A Yes, sir.

Q All right. I wish you would look at what has been marked as our Exhibit Number 2. What does that reflect?

A It is a structure map of the Fowler Area.

Q Have you again designated the five Blinebry completions in orange?

A Yes, sir.

Q Now, would you describe the structures that we find in the Blinebry reservoir, Mr. Howell?

A The Blinebry is asymmetrical and is similar to the other formations in the area.

Q Has an estimated gas-oil contact been established in this reservoir?

A Yes, sir, it has a depth of 2,106 feet and is indicated on Exhibit 2 by a green line.

Q It might be of benefit to the Commission and record, Mr. Howell, with respect to the completions in this reservoir if you would state for the record the initial oil-gas ratio and also for each well give the latest test data with respect to these wells.

A The latest test of the South Mansuick in November of 1964 was producing 66 barrels per day. The next well down is the Madonic, and in October of 1961 was producing 156 barrels of oil per day with a key oil of 4,110, and in November of '64

was producing 32 barrels of oil per day with a key oil of 2,681.

Q Now, those are all of the Pan American wells?

A No, sir. Our South Mattick Number 3 in August was producing 372 barrels of oil and had a G oil of 2,170, and in November of 1964 was producing 82 barrels of oil with G oil of 19,918.

Q Now, the other well, the fifth well, is operated by Gulf?

A Yes.

Q I wish you would state for the record the initial test figures that Gulf furnished to you with regard to that well.

A All right. In February of 1964 the potential was 57 barrels per day with a G oil of 19,102.

Q Is this reservoir about due for a periodic test?

A Yes, sir, in probably January or February.

Q I made an observation about this well that appeared that with regard to most of the wells we observed a decline in their ability to produce oil and a limited increase in gas-oil ratio, was that observation correct?

A Yes, that is correct.

Q In other words, with the same amount of gas you have a higher gas-oil ratio?

A Yes.

Q Getting back to this gas cap for a minute, Mr. Howell, in your opinion has the gas cap extended and been an aid as a production mechanism in this reservoir?

A No, sir, it hasn't.

Q In your opinion had this ever been an effective gas cap from the standpoint of an aid to producing?

A No.

Q From the standpoint of volume, Mr. Howell, how does the gas cap volume compare with the volume of the remainder of the reservoir?

A The gas cap volume is approximately 1 per cent of the total reservoir.

Q Has there been any evidence whatsoever that the gas cap is expanding?

A No, sir.

Q So, you feel that with regard to the gas-oil contact, that if the gas cap was expanding you would have observed it in this particular well?

A Yes, sir.

Q All right. I will refer you to what has been marked as Pan American's Exhibit Number 3, what does that show?

A Exhibit Number 3 is a cross section through the area of the Fowler Field with all the Brinebry completions indicated.

Q Just identify this exhibit for the record, I wish you'd give the starting well and the terminating well or your ending well on that section.

A The beginning well is in the northwest and this would be well number 24 and it ends southeast of Gulf's.

Q Now, Mr. Howell, of the nine separate and distinct wells that the Commission has recognized in this area, how many are recompleted on the portion of the logs that you have used in explaining Exhibit Number 3?

A Five.

Q Let's see, how have you designated on this cross section this small gas cap?

A It's shaded in green as shown on the cross section.

Q Well, Mr. Howell, if the gas cap is not expanding, to what do you attribute the high ratios that we have experienced on some of the other wells in the area of the gas cap?

A The high gas ratio on our number 1 and 3 wells was because they were recompletions of the old ones, it was necessary to fracture one of these wells to get the initial oil production rate.

Q And you feel that the fractures up into the gas cap and the gas capped gas is being produced by that well through this fracture?

A Yes, sir, that's correct.

Q Has Pan American attempted any remedial efforts to decrease this high gas-oil ratio?

A Yes, sir, after our initial testing indicated that we had this high gas ratio the top set of perforations were squeezed and drilled out and reperforated again. The average cost was \$54,300.

Q Mr. Howell, you testified now that this gas cap is not expanding and, I believe, you relied on the performance of well number 14?

A Yes, sir.

Q If this gas cap is not expanding and is not being made as a producing mechanism, can you, as a reservoir engineer, see any opportunity of waste being predicated by increasing the limited gas-oil ratio of wells in this pool?

A No, sir.

Q Can you, as a reservoir engineer, recommend to this Commission an increase from the 6,001 to 7,001?

A Yes, sir, I can.

Q In your opinion, will that encourage development through recompletion in this area by Pan American and other operators as well?

A Yes, sir, it will.

Q Do you happen to know, Mr. Howell, of any other Blinebry pools in southeast New Mexico that have a high ratio

similar to this one?

A Yes, sir, both Blinebry and the Brody have high ratios of 6,001.

Q Do you have anything else that you'd care to add at this time to the record, Mr. Howell?

A No, sir, I believe not.

MR. BUELL: If it please the Examiner, that's all we have by way of direct testimony. I would like to firmly offer Pan American's Exhibits 1 to 3 in evidence.

MR. UTZ: Without objection, Pan American's Exhibits 1 to 3 will be admitted into evidence.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Howell, what type of pool or what type of drainage does this pool have?

A It's a solution.

Q And I believe that you stated that the increase in the G oil in this area was due to a decrease in oil production rather than the gas cap moving out?

A Yes, sir.

Q Number 16 well, which is on top of the gas cap, what formation is that completed in?

A Number 16 is in the Upper Padduck and Lower Padduck and Tubb.

Q Did you test this well in the Blinebry?

A Yes, sir, on initial completion the interval was perforated and was fractured, however, we had communication with the Tubb and after this was squeezed off, we recovered 2,039 barrels of oil from the Blinebry.

Q How much gas?

A Sir?

Q How much gas did you have?

A From the Blinebry?

Q Yes, from the Blinebry.

A We communicated with the Tubb, so we squeezed this --

Q You don't have any idea what that well was producing in gallons in the Blinebry?

A No, sir.

Q Who are the purchasers for gas in this area?

A I believe it's El Paso, I'm not positive.

Q In the event the Commission should increase the GR's, would there be a market for all the gas in the area?

A Yes, sir.

Q In the Blinebry Zone?

A Yes, sir.

Q This would be low pressure gas?

A Yes, sir.

Q Now, what purpose would an increase serve here in as

far as being able to recover the maximum amount of oil?

A Well, sir, based on the other wells, the other recompletions, number 1 and number 3, if the cost were the same then we could expect a seventy-three month payoff. However, the higher GR's would pay off shorter.

Q Now, what was your estimate as to the life of the wells of 6,000 in comparison to 2,000?

A Yes, sir. The entire life of the well?

Q Yes.

A Well, over a pay --

Q Well, give me the payout.

A It would be about seventy-three months, the 6,000 would be about twenty-three months.

MR. BUELL: Is seventy-three months close to six years?

THE WITNESS: Yes, sir.

MR. UTZ: I'm glad we have an attorney that's a mathematician.

Q (By Mr. Utz) Now, I gather it's your opinion that by increasing the GR's in this pool that there will no waste?

A Yes, sir.

Q The main reason for stating that is that the gas caps will not expand?

A Yes, sir, that's correct.



Q Do you have any explanation as to why the gas cap won't expand. it's quite unusual.

A Yes, sir. Of course the bottom of the gas cap is small to begin with and apparently up in the top of the formation there is enough shale to keep the gas protected.

MR. UTZ: Are there any further questions of the witness? If there are no further questions, the witness will be excused. Is this the only witness?

MR. BUELL: Yes, sir. He's our only witness.

MR. UTZ: Is there any appearances or anything further in Case Number 3175?

MR. BUELL: That's all we have.

MR. UTZ: The case will be taken under advisement.

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STATE OF NEW MEXICO     )  
                                  ) ss  
COUNTY OF BERNALILLO    )

I, JOHN ORFANIDES, Court Reporter, 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.

*John Orfanides*  
COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Zirciner hearing of Case No. 3125, heard by me on *March 5*, 1964.  
*Shirley R.* Examiner  
New Mexico Oil Conservation Commission

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WITNESS

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REX G. HOWELL

Direct Examination by Mr. Buehl

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Cross Examination by Mr. Utz

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E X H I B I T S

NUMBER

OFFERED

ADMITTED

Exhibits 1 to 3

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## NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOREGISTERHEARING DATE DECEMBER 15, 1964 TIME: 9 A.M.

| NAME:            | REPRESENTING:           | LOCATION:        |
|------------------|-------------------------|------------------|
| GEORGE H. FORD   | PAN AMERICAN PETR. CORP | FT. WORTH, TEXAS |
| Rex G. Howell    | PAN AMERICAN PETR. CORP | Lubbock, Texas   |
| L. P. White      | <i>[Signature]</i>      | Santa Fe         |
| Guy Buell        | PAN AM                  | FORT WORTH       |
| Marshall Smith   | Statehouse Reporting    | Santa Fe         |
| B. O. Baker      | Midwest Oil Corp        | Midland          |
| E. W. NESTOR     | SHELL OIL Co.           | ✓                |
| R. E. Johnson    | ✓ ✓ ✓                   | Roswell          |
| N. D. McIntyre   | MIDWEST OIL             | MIDLAND          |
| L. C. McCollough | SUN OIL Co              | DALLAS           |
| R. O. LEWIS      | ✓                       | ✓                |
| JOHN CARRAS      | ✓                       | ROSWELL          |
| JACK COOLEY      | B. M. C.                | FARMINGTON       |





