

CASE 3875: Application of PAN AM.
FOR AN UNORTHODOX OIL WELL LOCA-
TION, LEA COUNTY, N. M.

Case Number

3875

Application

Transcripts.

Small Exhibits

ETC.

GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

P. O. BOX 2088
SANTA FE

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

October 15, 1968

Mr. Guy Buell
Pan American Petroleum Corporation
Post Office Box 1410
Fort Worth, Texas 76101

Re: Case No. 3875
Order No. R-3521
Applicant:

Pan American Petroleum Corp.

Dear Sir:

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

Very truly yours,

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

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC X

Artesia OCC

Aztec OCC

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. 3875
Order No. R-3521

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 9, 1968,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 15th day of October, 1968, 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 authority to drill its South Mattix Unit Well No. 25 at an
unorthodox location in the Fowler-Ellenburger Pool 910 feet from
the North line and 1980 feet from the West line of Section 15,
Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to dedicate the N/2 NW/4
of said Section 15 to the proposed well and to its South Mattix
Unit Well No. 7 located 660 feet from the North line and 660
feet from the West line of said Section 15, and to produce any
proportion of the 80-acre allowable from either well at the
applicant's discretion.

(4) That said Well No. 7, a marginal well, is experiencing
water encroachment from the northwest.

(5) That it is probable that a well drilled at the proposed
location will avoid the water problem being experienced by the
aforesaid Well No. 7.

CASE No. 3875
Order No. R-3521

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

(7) That to prevent waste and to protect correlative rights, the applicant should be required to produce its South Mattix Unit Well No. 7 at its maximum efficient capacity until said well reaches the economic limit of production.

IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby authorized to drill its South Mattix Unit Well No. 25 at an unorthodox location in the Fowler-Ellenburger Pool 910 feet from the North line and 1980 feet from the West line of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico;

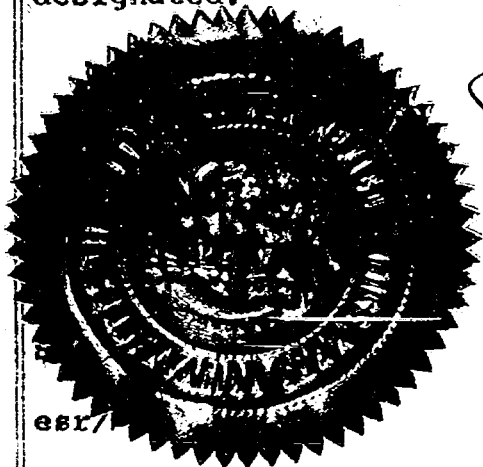
PROVIDED HOWEVER, that the N/2 NW/4 of said Section 15 shall be dedicated to the applicant's South Mattix Unit Well No. 25 and to the South Mattix Unit Well No. 7 located 660 feet from the North line and 660 feet from the West line of said Section 15.

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

PROVIDED HOWEVER, that the applicant's South Mattix Unit Well No. 7 shall be produced at its maximum efficient capacity until it reaches the economic limit of production, and that the applicant shall not shut in or abandon said well until a statement establishing that the well has reached the economic limit of production has been submitted to and approved by the Secretary-Director of the Commission.

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

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GLYTON B. HAYS, Member

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

esr/

Case 3875

Heard 10-9-68

Rec. 10-11-68

Grant Perm. Genl. request for.
a NSL in the So. Matter for their
So. Matter Unit #25, 910' N, 1980/14 lines
of sec. 15-245-372. Dowler - Ellen-
burgers pool. This well is a
second well on a 80 A. unit.
Mills shall allowed to produce.
the 80 A. allow. in any proportion.

Thos. G. [Signature]

ATWOOD & MALONE
LAWYERS

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

JEFF D. ATWOOD (863-1960)
CHARLES F. MALONE
RUSSELL D. MANN
PAUL A. COOTER
BOB F. TURNER
ROBERT A. JOHNSON
JOHN W. B. SSETT
ROBERT E. SABIN

October 5, 1968

60 OCT 7 AM 10 27

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

Re: Examiner Hearing October 9, 1968
Cases Nos. 3875 and 3690

Dear Mr. Porter:

For Pan American Petroleum Corporation, applicant in the
above numbered cases, we enclose our Entry of Appearance and re-
quest that they be filed.

Thank you and with regards, we are,

Very truly yours,

ATWOOD & MALONE

By: 

PC:bc

Encls.

cc: J. K. Smith, Esquire (w/enc.)
Guy Buell, Esquire (w/enc.)

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF PAN AMERICAN PETROLEUM COR-)
PORATION FOR AN UNORTHODOX OIL)
WELL LOCATION, LEA COUNTY, NEW)
MEXICO.)

No. 3875

ENTRY OF APPEARANCE

The undersigned attorneys, duly licensed to practice law in the
State of New Mexico, hereby enters their appearance in this cause as
New Mexico counsel for Pan American Petroleum Corporation.

DATED at Roswell, New Mexico, this 5th day of October, 1968.

ATWOOD & MALONE

By 

P. O. Drawer 700
Roswell, New Mexico

60 OCT 7 AM 10 11

Docket No. 29-68

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 9, 1968

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 3872: Application of Union Oil Company of California for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Federal "A" Well No. 1 located in Unit P of Section 12, Township 15 South, Range 34 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Morton-Wolfcamp Pool and the disposal of produced salt water through the intermediate casing-production casing annulus into the San Andres and such other formations as may occur in the open-hole interval from approximately 4620 to 7350 feet.
- CASE 3873: Application of R. G. McPheron for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the open-hole interval from approximately 5250 feet to 5854 feet in his S. P. Johnson Well No. 1 located 990 feet from the West line and 1650 feet from the South line of Section 5, Township 18 South, Range 39 East, South Carter-San Andres Pool, Lea County, New Mexico.
- CASE 3874: Application of Gulf Oil Company - U. S. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Paddock and Blinbry Oil Pools in the well-bore of its C. L. Hardy Well No. 2 located in Unit N of Section 20, Township 21 South, Range 37 East, Lea County, New Mexico, with the provision that no more than one single allowable well be produced from said well.
- CASE 3875: Application of Pan American Petroleum Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well in exception to the Fowler-Ellenburger Rules at an unorthodox location 910 feet from the North line and 1980 feet from the West line of Section 15, Township 24 South, Range 37 East, Lea County, New Mexico.

- CASE 3876: Application of Newmont Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Young (Queen) Unit Area comprising 1320 acres, more or less, of federal and state lands in Township 18 South, Range 32 East, Young (Queen) Pool, Lea County, New Mexico.
- CASE 3877: Application of Newmont Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Young (Queen) Unit Area by the injection of water into the Queen formation through 17 wells located in Sections 9, 16, 17, 19, 20, 21, and 29, Township 18 South, Range 32 East, Young (Queen) Pool, Lea County, New Mexico.
- CASE 3878: Application of General American Oil Company of Texas for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Premier sand through two injection wells located in Unit M of Section 8, and Unit G of Section 17, Township 16 South, Range 30 East, West Henshaw-Grayburg Pool, Eddy County, New Mexico.
- CASE 3879: Application of Walter Duncan Oil Properties for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well at an unorthodox oil well location 1000 feet from the North line and 1242 feet from the East line of Section 36, Township 32 North, Range 18 West, San Juan County, New Mexico. Said well would be projected to the Dakota formation.
- CASE 3880: Application of Anne Burnett Windfohr, dba Windfohr Oil Company, for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation in the perforated interval from approximately 6970 feet to 7028 feet in the Windfohr Oil Company Jackson "B" Well No. 23 located in Unit J of Section 24, Township 17 South, Range 30 East, Jackson-Abo Pool, Eddy County, New Mexico.
- CASE 3881: Application of J. M. Huber Corporation for the creation of a new oil pool and for special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Devonian oil pool for its Lone Star Federal Well No. 1 located in the NE/4 NE/4 of Section 20, Township 8 South, Range 36 East, Roosevelt County, New Mexico, and for the promulgation of special rules therefor including a provision for 80-acre proration units.

- CASE 3882: Application of Solar Oil Company for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 506 of the Commission Rules and Regulations to provide for a limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of oil in the Teague Blinbry Pool, Lea County, New Mexico.
- CASE 3883: Application of Solar Oil Company for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 506 of the Commission Rules and Regulations to provide for a limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of oil in the Imperial Tubb-Drinkard Pool, Lea County, New Mexico.
- CASE 3884: Application of Marathon Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Miller Ranch Unit Area comprising 5,276 acres, more or less, of State, Federal and Fee lands in Townships 21 and 22 South, Range 25 East, Eddy County, New Mexico.
- CASE 3885: Application of Sinclair Oil & Gas Company for a waterflood expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Turner "B" Grayburg-Jackson Waterflood Project, Grayburg-Jackson Pool, by the conversion to water injection of 12 additional injection wells located in Sections 20, 29, and 30, Township 17 South, Range 31 East, Eddy County, New Mexico.
- CASE 3886: Application of Sinclair Oil & Gas Company for the amendment of a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks amendment of its Guadalupe Ridge Unit Agreement, unitizing certain lands in Eddy County, New Mexico, and approved by Order No. R-3471, to conform to certain requirements of the Director of the United States Geological Survey. In the absence of objection, the case will be submitted and an order issued upon the basis of the application and exhibits attached thereto.
- CASE 3887: Application of Kersey & Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Premier sand of the Grayburg formation through two wells to be located in Units E and K of Section 12, Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico. Applicant further proposes to produce oil from the Upper Grayburg through parallel strings of tubing, if said zones are productive in the subject wells.

- CASE 3888: Application of Amerada Petroleum Corporation for a dual completion, salt water disposal and tubing exception, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State E "B" Well No. 1 located in Unit E of Section 27, Township 10 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the North Echols-Devonian Pool and the disposal of produced salt water through the tubing-casing annulus into the San Andres formation through perforations in said casing from approximately 5220 feet to 5250 feet. Applicant also seeks an exception to the tubing requirements of Commission Rule 107 in that said tubing would be set more than 250 feet above the upper most Devonian perforation.
- CASE 3889: Application of BTA Oil Producers for the creation of a new pool and special pool rules, Lea and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Bough C zone of the Pennsylvanian formation for its well located in Section 5, Township 9 South, Range 36 East, Lea County, New Mexico, and for the promulgation of special rules therefor including a provision for 160-acre proration units and for the assignment of an 80-acre allowable factor of 4.77.
- CASE 3890: Application of Pan American Petroleum Corporation for special pool rules and a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Empire-Pennsylvanian Gas Pool, Eddy County, New Mexico, including a provision for 320-acre spacing units with wells to be located in either the northwest quarter or the southeast quarter of the section. Applicant further seeks approval of a 280-acre non-standard gas proration unit comprising the SE/4, S/2 SW/4, and the NW/4 SW/4 of Section 30, Township 17 South, Range 28 East, Empire-Pennsylvanian Gas Pool, to be dedicated to its State V Com Well No. 1 located 990 feet from the South and East lines of said Section 30.

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

TRANSCRIPT OF HEARING



MR. UTZ: Case 3875.

MR. HATCH: Case 3875, application of Pan American Petroleum Corporation for an unorthodox oil well location, Lea County, New Mexico.

MR. BUELL: For Pan American Petroleum Corporation, Guy Buell.

(Whereupon, Applicant's Exhibits No. 1 and 2 were marked for identification.)

MR. UTZ: Are there other appearances?

MR. BUELL: May it please the Examiner, Mr. Ford will be our only witness in this case and in Case 3890.

(Witness sworn)

GEORGE H. FORD,

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

DIRECT EXAMINATION

BY MR. BUELL:

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

A George H. Ford, Staff Engineer for Pan American Petroleum Corporation in Fort Worth, Texas.

Q Mr. Ford, so that the Examiner may evaluate your

testimony and evidence from the standpoint of your recommendation, I'm going to ask you at the offset to make your recommendation to the Commission.

A I recommend that the Commission approve an unorthodox oil well location for Pan American's South Mattix Unit No. 25 as a companion well to Pan American's South Mattix Unit No. 7 on a proration unit in the north half of the northwest fourth of Section 15, Township 24 south, Range 37 east, in the Fowler-Ellenburger oil pool in Lea County, New Mexico.

The exact location of No. 25 is 910 from the north line and 1980 from the west line of said Section 15.

Q What is your recommendation to the Commission as to how the 80-acre oil allowable should be produced from two wells on this one unit?

A I recommend it be produced in any proportion from either of the two wells, South Mattix unit No. 7 or No. 25.

For the Examiner's benefit, No. 7 is now producing, on the last test, 57 barrels per day. Top allowable was the present 58; basic unit allowable for this pool at this depth and this factor is 277 barrels per day.

Q Is it also your recommendation that No. 7 continue to be produced until it reaches its economic limit?

A Yes, sir, it is.

Q All right, sir. Now, would you look at what has been identified as Pan American's Exhibit 1, What is that exhibit, Mr. Ford?

A Exhibit No. 1 is a map of the Fowler area. The conventional symbols are used for the Ellenburger completions. Some of the wells have been recompleted from the Fowler- Ellenburger pool to shallower formations. This is a logged pay area. The South Mattix unit operated by Pan American is emphasized with a heavy dashed black line. The proration unit I referred to and described in my recommendation is outlined with a red outline and the location for SMU No. 25 is emphasized with a red dot.

Q Have there been any other similar applications approved by this Commission in this pool?

A Yes, sir, there have been seven. They are emphasized on Exhibit 1 with a red color inside the large circle around the well dot.

Q Do you have any other comments on --

MR.UTZ: Just a moment. Let's clarify that there. You mean seven non-standard locations, not seven dual well units?

THE WITNESS: The seven I was referring to were wells located in a different quarter section from what the rules call for.

MR. UTZ: Non-standard locations, not two-well units?

THE WITNESS: They're non-standard locations, correct, sir.

MR. UTZ: This is the only two-well unit?

THE WITNESS: No, sir. Wells SMU 9 and 17, as I remember, were two wells on one unit; SMU 24 and 8, SMU 2 and 21, Humble A-B 1 and 2, that's in Section 16 to the west of SMU, Pan American's SMU 15 and 13, although at that time, three had been abandoned, can no longer produce in the Ellenburger, No. 15 was granted only a 60-acre allowable.

MR. UTZ: All the others are producing, except your No. 3?

THE WITNESS: No, sir. The Humble A-B No. 2 in Section 16 is now off production and the original well for that unit is still on production. It's producing about 59 barrels per day.

Q But SMU No. 3 was the only non-producing well on the unit at the time the second well was drilled?

A I believe that covers the status of all of them.

MR. UTZ: All right. I just wanted to be sure that all of these were the same.

THE WITNESS: Yes, sir.

Q (By Mr. Buell) All right, Mr. Ford. Turning, now, if you will, to Pan American's Exhibit No. 2, what is that exhibit?

A Exhibit 2 is a structure map contoured on the top of the Ellenburger for the Fowler-Ellenburger.

Q Has, in previous and past hearings, the structure in this area and in this particular pool been gone into in great detail?

A In many hearings in the past.

Q Let me ask you this: According to this structural interpretation, is all of the acreage contained in this 80-acre unit that we're speaking of productive from the Ellenburger?

A Yes, sir, it is. Again, I have SMU No. 25 emphasized with a red dot. I believe it would be easy to find in the northwest quarter of Section 15.

Q Mr. Ford, in your opinion, will the approval of the application by the Commission protect correlative rights as well as serve conservation?

A Yes, sir.

Q Do you have anything else you care to add at this time?

A No, sir.

MR. BUELL: May it please the Examiner, that's all we

have by way of direct. I would like to formally offer Exhibits 1 and 2.

MR. UTZ: Without objection, Exhibits 1 and 2 will be entered into the record in this case.

(Whereupon, Applicant's Exhibits 1 and 2 were admitted in evidence.)

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Ford, No. 7 is a marginal well?

A It's less than top allowable, sir, 57 as compared to 277.

Q Anything that's less than top allowable is a marginal well.

A I get confused with Texas terminology there, which is quite a bit different.

Q The reason for you wanting to drill this well as a non-standard location is to go a little farther into the structure?

A Yes, sir, that's the primary reason.

Q That is, geologically?

A Yes, sir. We do have some water production on number 7. We'll be able to locate further up structure with number 25 and produce the maximum number amount of oil off of this proration unit.

Q As I recall, you do have some encroaching water problems on the west side of this pool?

A Yes, sir, we do. We haven't been able to definitely determine exactly how the water is performing, but various wells begin making water. It's not completely explainable, but because some of them are high, structurally; for example, SMU No. 3 started making water after interference tests several years ago when it should not have done so with a normal water-drive mechanism. We actually believe this reservoir is producing, primarily, under solution gas-drive mechanism, but we do have the water encroachment and the water problems.

No. 7 is making 48 barrels of water per day, if that would help you any, Mr. Examiner.

Q How much water?

A 48.

Q This location is 910 from the north and 1980 from the west?

A Yes, sir, in Section 15. There's a Blinebry well, SMU No. 22, located near the center of the northeast quarter of the northwest quarter of Section 15, and we're staying approximately 200 feet south of it for surface physical reasons.

Q That's the reason you're crowding to the south a little bit, rather than in the center of the 40?

A Yes, sir. Of course, we could go further to the north, but that would be at a lower structural position and we want to get the maximum structural position that we can, and we feel that we need to be at least 200 feet away from No. 2.

Q It was brought out previously that this pool is pretty well, I might say, spotted with non-standard locations at this time.

MR. BUELL: Yes, sir. It's just about down to 40-acre development now.

A I believe this started in November of 1962 with approval of Gulf Oil Corporation's Lilly well #3 in Section 23.

MR. UTZ: Are there any other questions of the witness? You did ask for top allowable, did you not?

THE WITNESS: If the two wells, together, will make top allowable, yes, sir. Whatever they will make, with the limit of top allowable.

MR. UTZ: And you would argue, I'm sure, that the entire unit is productive of oil?

THE WITNESS: Yes, sir.

MR. UTZ: Are there other questions? The witness may be excused. Statements in this case? The case will be taken under advisement.

I N D E X

WITNESS	PAGE
GEORGE H. FORD	
Direct Examination by Mr. Buell	2
Cross Examination by Mr. Utz	7

EXHIBIT	MARKED	OFFERED AND ADMITTED
Applicant's 1 and 2	2	7

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

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

Charles H. Marios
COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Executive hearing of Case No. 3826, heard by me on 12-9-68. 1968

Christie M. [Signature], Secretary
New Mexico Oil Conservation Commission

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

P. O. BOX 1410

FORT WORTH, TEXAS—76101

September 12, 1968

D. L. RAY
DIVISION ENGINEER

File: GHF-476-986.510.1

Case 3875

Subject: Application of Pan American Petroleum Corporation for an Exception to the Fowler-Ellenburger Pool Rules for its South Mattix Unit Well No. 25
Lea County, New Mexico

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

Dear Sir:

Pan American Petroleum Corporation respectfully requests that a hearing be scheduled to consider its application for approval of an unorthodox location in the Fowler-Ellenburger Pool for its South Mattix Unit Well No. 25. The proposed location is 910' FNL and 1980' FWL, Section 15, T-24-S, R-37-E, Lea County, New Mexico. We will also request approval of assignment to the subject well of an 80 acre proration unit comprising the N/2 of the NW/4 of T-24-S, R-37-E. The names and addresses of offset operators are as follows:

Gulf Oil Corporation
P. O. Drawer 1938
Roswell, New Mexico

Humble Oil & Refining Company
P. O. Box 1600
Midland, Texas

Yours very truly,

D. L. Ray glf

WCW:jn

50 SEP 16 AM 11

DOCKET MAILED

Date 9-26-68

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

P. O. BOX 1410

FORT WORTH, TEXAS—76101
September 12, 1968

File: GHF-476-986.510.1

Subject: Application of Pan American Petroleum Corporation for an Exception to the Fowler-Ellenburger Pool Rules for its South Mattix Unit Well No. 25 Lea County, New Mexico

Cope 3875

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

Dear Sir:

Pan American Petroleum Corporation respectfully requests that a hearing be scheduled to consider its application for approval of an unorthodox location in the Fowler-Ellenburger Pool for its South Mattix Unit Well No. 25. The proposed location is 910' FNL and 1980' FWL, Section 15, T-24-S, R-37-E, Lea County, New Mexico. We will also request approval of assignment to the subject well of an 80 acre proration unit comprising the N/2 of the NW/4 of T-24-S, R-37-E. The names and addresses of offset operators are as follows:

Gulf Oil Corporation	Humble Oil & Refining Company
P. O. Drawer 1938	P. O. Box 1600
Roswell, New Mexico	Midland, Texas

Yours very truly,

Original Signed
D. L. Ray
By GHF

WCW:jn

68 SEP 16 AM

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

P. O. BOX 1410

FORT WORTH, TEXAS—76101
September 12, 1968

File: GHF-476-986.510.1

Subject: Application of Pan American Petroleum Corporation for an Exception to the Fowler-Elfenburger Pool Rules for its South Mattix Unit Well No. 25 Lea County, New Mexico

Case 3875

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

Dear Sir:

Pan American Petroleum Corporation respectfully requests that a hearing be scheduled to consider its application for approval of an unorthodox location in the Fowler-Elfenburger Pool for its South Mattix Unit Well No. 25. The proposed location is 910' FNL and 1980' FWL, Section 15, T-24-S, R-37-E, Lea County, New Mexico. We will also request approval of assignment to the subject well of an 80 acre proration unit comprising the N/2 of the NW/4 of T-24-S, R-37-E. The names and addresses of offset operators are as follows:

Gulf Oil Corporation
P. O. Drawer 1938
Roswell, New Mexico

Humble Oil & Refining Company
P. O. Box 1600
Midland, Texas

Yours very truly,

Original Signed
D. L. Ray
By GHF

WCW:jn

68 SEP 16

POOL

RANGE

NMPM

A 6x6 grid with numbers 1 through 36. The numbers are arranged in a boustrophedon pattern: Row 1 (left to right): 6, 5, 4, 3, 2, 1; Row 2 (left to right): 7, 8, 9, 10, 11, 12; Row 3 (right to left): 18, 17, 16, 15, 14, 13; Row 4 (left to right): 19, 20, 21, 22, 23, 24; Row 5 (right to left): 30, 29, 28, 27, 26, 25; Row 6 (left to right): 31, 32, 33, 34, 35, 36. Handwritten notes are present in the center-right area: '910' is written above a small dot; '660' is written to the right of the dot; '1980' is written below the dot. A line connects the dot to the '660' label.[illegible]

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:

3875
CASE No. 3729
Order No. R-3385

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

October 9
This cause came on for hearing at 9 a.m. on ~~February 28~~, 1968,
at Santa Fe, New Mexico, before Examiner ~~Daniel S. Nutter~~.

NOW, on this 4th day of ~~March~~, 1968, 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 authority to drill its South Mattix Unit Well No. ~~24~~ ³⁵ at an
unorthodox location in the Fowler-Ellenburger Pool ~~510~~ ²¹⁰ feet from
the ~~South~~ ^{North} line and ~~1030~~ ¹⁷⁸⁰ feet from the ~~East~~ ^{West} line of Section 15,
Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to dedicate the ~~SE 1/4~~ ^{N 1/2 NW 1/4}
of said Section 15 to the proposed well and to its South Mattix
Unit Well No. ~~3~~ ³ located 660 feet from the ~~South~~ ^{North} line and 660
feet from the ~~East~~ ^{West} line of said Section 15, a marginal well,
and to produce any proportion of the 80-acre allowable from
either well at the applicant's discretion.

(4) That approval of the unorthodox location should result
in more efficient drainage of the ~~SE 1/4~~ ^{N 1/2 NW 1/4} of said Section 15,
thereby preventing waste.

-2-

CASE No. 3729
Order No. R-3385

(5) That to prevent waste and to protect correlative rights, the applicant should be required to produce its South Mattix Unit Well No. ~~3~~ at its maximum capacity until said well reaches the economic limit of production.

IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby authorized to drill its South Mattix Unit Well No. ~~3~~³² at an unorthodox location in the Fowler-Ellenburger Pool ~~218~~²¹⁸ feet from the ~~South~~^{North} line and ~~1880~~¹⁸⁸⁰ feet from the ~~West~~^{East} line of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico;

PROVIDED HOWEVER, that the ~~S/2 SE/4~~^{N/2 NW/4} of said Section 15 shall be dedicated to the applicant's South Mattix Unit Well No. ~~3~~³² and to the South Mattix Unit Well No. ~~3~~³ located 660 feet from the ~~South~~^{North} line and 660 feet from the ~~West~~^{East} line of said Section 15.

(2) That the applicant is hereby authorized to produce the 80-acre allowable assigned to the ~~S/2 SE/4~~^{N/2 NW/4} of said Section 15 from either well;

PROVIDED HOWEVER, that the applicant's South Mattix Unit Well No. ~~3~~³ shall be produced at its maximum capacity until it reaches the economic limit of production, and that the applicant shall not shut in or abandon said well until a statement establishing that the well has reached the economic limit of production has been submitted to and approved by the Secretary-Director of the Commission.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

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

S E A L

GMH/esr
10-14-68

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:

Order No. R- 352

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

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 9, 1968,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this day of October, 1968, 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,

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

(2) That the applicant, Pan American Petroleum Corporation, seeks authority to drill its South Mattix Unit Well No. 25 at an unorthodox location in the Fowler-Ellenburger Pool 910 feet from the North line and 1980 feet from the West line of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to dedicate the N/2 NW/4 of said Section 15 to the proposed well and to its South Mattix Unit Well No. 7 located 660 feet from the North line and 660 feet from the West line of said Section 15, ~~a marginal well~~, and to produce any proportion of the 80-acre allowable from either well at the applicant's discretion.

(4) That said well No. 7, a marginal well, is experiencing water encroachment from the northwest.

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

(5) That to prevent waste and to protect correlative rights, the applicant should be required to produce its South Mattix Unit Well No. 7 at its maximum ^{efficient} capacity until said well reaches the economic limit of production.

IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby authorized to drill its South Mattix Unit Well No. 25 at an unorthodox location in the Fowler-Ellenburger Pool 910 feet from the North line and 1980 feet from the West line of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, that the N/2 NW/4 of said Section 15 shall be dedicated to the applicant's South Mattix Unit Well No. 25 and to the South Mattix Unit Well No. 7 located 660 feet from the North line and 660 feet from the West line of said Section 15.

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

PROVIDED HOWEVER, that the applicant's South Mattix Unit Well No. 7 shall be produced at its maximum ^{efficient} capacity until it reaches the economic limit of production, and that the applicant shall not shut in or abandon said well until a statement establishing that the well has reached the economic limit of production has been submitted to and approved by the Secretary-Director of the Commission.

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

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