

*Entered March 7, 1968*  
*A.L.P.*

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. 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:

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 at an unorthodox location in the Fowler-Ellenburger Pool 510 feet from the South line and 1830 feet from the East line of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to dedicate the S/2 SE/4 of said Section 15 to the proposed well and to its South Mattix Unit Well No. 8 located 660 feet from the South line and 660 feet from the East 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 S/2 SE/4 of said Section 15, thereby preventing waste.

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(5) That to prevent waste and to protect correlative rights, the applicant should be required to produce its South Mattix Unit Well No. 8 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. 24 at an unorthodox location in the Fowler-Ellenburger Pool 510 feet from the South line and 1830 feet from the East line of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico;

PROVIDED HOWEVER, that the S/2 SE/4 of said Section 15 shall be dedicated to the applicant's South Mattix Unit Well No. 24 and to the South Mattix Unit Well No. 8 located 660 feet from the South line and 660 feet from the 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 of said Section 15 from either well;

PROVIDED HOWEVER, that the applicant's South Mattix Unit Well No. 8 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

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