

GOVERNOR  
JOHN BURROUGHS  
CHAIRMAN

State of New Mexico  
Oil Conservation Commission

LAND COMMISSIONER  
MURRAY E. MORGAN  
MEMBER

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

P. O. BOX 871  
SANTA FE

February 8, 1961

Atwood & Malone  
Box 867  
Roswell, New Mexico

Re: Case No. 2165  
Order No. R-1867

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.,  
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC   x    
Artesia OCC         
Aztec OCC   x  

Other Mr. Guy Buell - Fort Worth, Texas

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. 2165  
Order No. R-1867

APPLICATION OF PAN AMERICAN PETROLEUM  
CORPORATION FOR TWO UNORTHODOX OIL WELL  
LOCATIONS AND A NON-STANDARD OIL PRORA-  
TION UNIT, CHA CHA-GALLUP OIL POOL,  
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 25, 1961, 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 8th day of February, 1961, 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, proposes to locate its Navajo Tribal "E" Well No. 7 at an unorthodox location in the Cha Cha-Gallup Oil Pool at a point 250 feet from the South line and 800 feet from the West line of Section 16, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico.

(3) That the applicant further proposes to locate its Navajo Tribal "G" Well No. 5 at an unorthodox location in the Cha Cha-Gallup Oil Pool at a point 1830 feet from the South line and 885 feet from the East line of Section 18, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico.

(4) That the proposed unorthodox locations are necessitated by topographical conditions and by the applicant's desire to develop its acreage on a uniform pattern.

(5) That the applicant further seeks an order establishing an 88.7-acre non-standard oil proration unit in the Cha Cha-Gallup

Oil Pool consisting of that portion of the SW/4 of Section 16, Township 29 North, Range 14 West, lying South of the mid-channel of the San Juan River, which unit is to be dedicated to the above-described Navajo Tribal "E" Well No. 7.

(6) That the proposed non-standard oil proration unit can reasonably be presumed to be productive of oil from the Cha Cha-Gallup Oil Pool.

(7) That establishment of the above-described non-standard oil proration unit and approval of the unorthodox oil well locations will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby authorized to locate its Navajo Tribal "E" Well No. 7 at an unorthodox location in the Cha Cha-Gallup Oil Pool at a point 250 feet from the South line and 800 feet from the West line of Section 16, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico.

(2) That the applicant is hereby authorized to locate its Navajo Tribal "G" Well No. 5 at an unorthodox location in the Cha Cha-Gallup Oil Pool at a point 1830 feet from the South line and 885 feet from the East line of Section 18, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico.

(3) That an 88.7-acre non-standard oil proration unit in the Cha Cha-Gallup Oil Pool consisting of that portion of the SW/4 of Section 16, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico, lying South of the mid-channel of the San Juan River, is hereby established, which unit is to be dedicated to the above-described Navajo Tribal "E" Well No. 7.

PROVIDED HOWEVER, That in the event an official survey changes the amount of acreage in the tract designated as the unit, the acreage to be allocated to the unit for allowable purposes shall correspond to the change.

(4) That the allowable which will be assigned to the said Navajo Tribal "E" Well No. 7 shall bear the same ratio to a standard allowable in the Cha Cha-Gallup Oil Pool as 88.7 bears to 80.

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CASE No. 2165  
Order No. R-1867

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



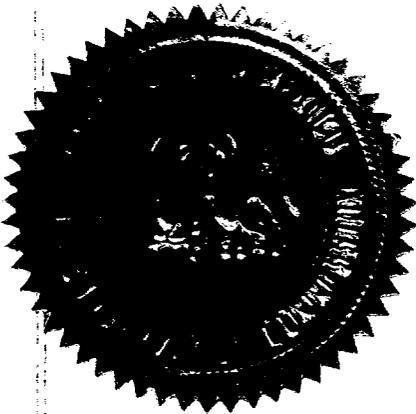
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



esr/