

CASE 2548: Application of PAN AM.
for an exception to ORDER R-660,
CAPROCK-QUEEN POOL, CHAVES COUNTY.

2548

2548

Section, Transcript,

Exhibits, Etc.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1162

ALBUQUERQUE, N. M.
PHONE 243-6691

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 10, 1962

EXAMINER HEARING

IN THE MATTER OF:

Application of Pan American Petroleum Corporation for an exception to Order No. R-660, Caprock-Queen Pool, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the Special Rules and Regulations of the Caprock-Queen Pool, Order No. R-660, for the assignment of a gas allowable equivalent to the total reservoir voidage of a top allowable oil well producing at the limiting GOR of 2000: 1 for its State "AK" Well No. 1 located in Unit N, Section 19, Township 15 South, Range 31 East, Chaves County, New Mexico.

Case 2548

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: We will call Case 2548.

MR. MORRIS: Application of Pan American Petroleum Corporation for an exception to Order No. R-660, Caprock-Queen Pool, Chaves County, New Mexico.

MR. BUELL: May it please the Examiner, Pan American is going to request that this hearing be continued to the first



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Examiner Hearing in July. In that connection, I would like to point this out for the record, that this well is offset by acreage in the South Caprock-Queen Unit, which is operated by the Union Oil Company of California. At the time that unit was formed approximately, I believe, a year and a half ago, we made every effort at that time to get that well into the unit. However, at that time this well was not producing due to two limitations, one, the field rule for which we're asking an exception at this time, and secondly, the fact that there was no market available.

Naturally we did not have a very strong bargaining position with the unit, and the well was not too attractive for the unit. However, since we have developed a market, and since we have scheduled this hearing for an exception to the pool rules such that we can produce this well and protect our correlative rights, we have been requested by Union, the unit operator, to continue this case in order that we may again negotiate in an attempt to bring this well into the unit. That's the reason that we're asking for this continuance at this time.

MR. NUTTER: Case No. 2548 will be continued to the first Examiner Hearing in the month of July, 1962.

MR. BUELL: Thank you.



STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 21st day of May, 1962.

Ada Dearnley
 Notary Public-Court Reporter

My commission expires:
 June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2548, heard by me on 5/10, 1962.
[Signature]
 Examiner
 New Mexico Oil Conservation Commission

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GOVERNOR
EDWIN L. MECHAM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
Z. S. JOHNNY WALKER
MEMBER



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

P. O. BOX 871
SANTA FE

July 11, 1962

Mr. Neal S. Whitmore
District Superintendent
Pan American Petroleum Corporation
P. O. Box 268
Lubbock, Texas

Re: Case No. 2548
Order No. B-2275
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 x

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. 2548
Order No. R-2275

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR AN EXCEPTION TO ORDER
NO. R-660, CAPROCK-QUEEN POOL, CHAVES
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 10, 1962, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 10th day of July, 1962, the Commission, a quorum being present, having considered the application and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

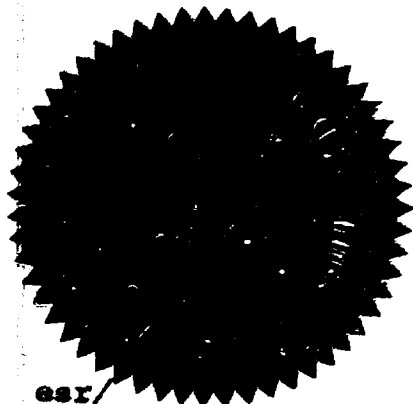
(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That inasmuch as the applicant, Pan American Petroleum Corporation, has requested that Case No. 2548 be continued indefinitely, it should be dismissed and redocketed at a later date upon further application.

IT IS THEREFORE ORDERED:

That Case No. 2548 is hereby dismissed.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem

EDWIN L. MECHEM, Chairman

E. S. Walker

E. S. WALKER, Member

A. L. Porter, Jr.

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

esr/

PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 268
Lubbock, Texas
June 18, 1962

File: JET-4212-986.510

Subject: Postponement of Hearing
NMOCC Case No. 2548

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

Dear Sir:

Pan American Petroleum Corporation requests an indefinite postponement of Hearing No. 2548, an application for exception to Order No. R-660, Caprock Queen Pool, Chaves County, New Mexico. The case was initially scheduled for hearing on May 10, 1962, but was postponed at our request until July of 1962.

Current negotiations with Union Oil Company of California for inclusion of Pan American's Lease in the South Caprock Queen Unit are progressing satisfactorily. If an agreement is not reached in these negotiations, we will request scheduling of the subject case at a later date.

Yours very truly,

Neil S. Whitmore
District Superintendent

By: 

JTR/ss

cc: Mr. R. S. Cooke
Mr. Alex Clarke, Jr.
Mr. Bruce A. Landis, Jr.

RECEIVED
MAY 7 AM 3 20
BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF PAN AMERICAN PETROLEUM)
CORPORATION FOR AN EXCEPTION TO)
FIELD RULE ORDER NO. R-660, CAPROCK-) No. 2548
QUEEN POOL IN CHAVES 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 Mr. Guy Buell, of the Texas Bar, appearing for Pan American Petroleum Corporation in said cause.

DATED at Roswell, New Mexico, this 3rd day of
May, 1962.

ATWOOD & MALONE

By


Attorneys for Pan American

No. 14-62

DOCKET: EXAMINER HEARING - THURSDAY - MAY 10, 1962

OIL CONSERVATION COMMISSION - 9 A.M. - MORGAN HALL, STATE LAND OFFICE
BUILDING, SANTA FE, NEW MEXICO

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

CASE 2547: Application of Pan American Petroleum Corporation for a
triple completion, Eddy County, New Mexico. Applicant, in
the above-styled cause, seeks an order authorizing the triple
completion (conventional) of its Greenwood Unit Well No. 7,
located in Unit H, Section 12, Township 19 South, Range 31
East, Eddy County, New Mexico, in such a manner as to permit
the production of oil from undesignated Strawn, Wolfcamp,
and Bone Spring pools through parallel strings of tubing.

CASE 2548: Application of Pan American Petroleum Corporation for an
exception to Order No. R-660, Caprock-Queen Pool, Chaves
County, New Mexico. Applicant, in the above-styled cause,
seeks an exception to the Special Rules and Regulations of
the Caprock-Queen Pool, Order No. R-660, for the assignment
of a gas allowable equivalent to the total reservoir voidage
of a top allowable oil well producing at the limiting GOR
of 2000: 1 for its State "AK" Well No. 1 located in Unit N,
Section 19, Township 15 South, Range 31 East, Chaves County,
New Mexico.

CASE 2549: Application of Cities Service Petroleum Company for a dual
completion, Lea County, New Mexico. Applicant, in the above-
styled cause, seeks permission to complete its Hodges B Well
No. 4, located in Unit M of Section 1, Township 25 South,
Range 37 East, Lea County, New Mexico, as a dual completion
(conventional) in the North Justis Tubb-Drinkard Pool and
Devonian formation adjacent to the North Justis-Devonian
Pool with the production of oil from each zone to be through
parallel strings of 2 3/8-inch tubing.

CASE 2550: Application of Texaco Inc., for a quadruple completion, Lea
County, New Mexico. Applicant, in the above-styled cause,
seeks permission to complete its G. L. Erwin "B" NCT-2 Well
No. 4, located in Unit O of Section 35, Township 24 South,
Range 37 East, Lea County, New Mexico, as a quadruple com-
pletion (tubingless) in the North Justis-Fusselman, North
Justis-Devonian, North Justis Tubb-Drinkard and North Justis-

Blinebry Pools, with the production of oil from all zones to be through parallel strings of small diameter casing cemented in a common well bore.

- CASE 2551: Application of Texaco Inc., for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its G. L. Erwin "A" Well No. 1, located in Unit N of Section 35, Township 24 South, Range 37 East, Lea County, New Mexico, as a triple completion (tubingless) in the North Justis-Devonian, North Justis-Tubb Drinkard and North Justis-Blinebry Pools with the production of oil from all zones to be through parallel strings of small diameter casing cemented in a common well bore.
- CASE 2552: Application of Texaco Inc., for a quadruple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Order R-2109 to permit the quadruple completion (tubingless) of its G. L. Erwin "B" NCT-2 Well No. 2, located in Unit J of Section 35, Township 24 South, Range 37 East, Lea County, New Mexico, in the North Justis-Blinebry Pool, North Justis Tubb-Drinkard Pool, an undesignated Paddock pool and an undesignated Devonian pool with the production of oil from all four zones to be through parallel strings of 2 3/8-inch casing cemented in a common well bore.
- CASE 2553: Application of Texaco Inc. for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Order R-2181 to permit the triple completion (conventional) of its C. H. Weir "B" Well No. 3, located in Unit G of Section 11, Township 20 South, Range 37 East, Lea County, New Mexico, in the Skaggs-Glorieta and Skaggs-Drinkard Oil Pools and in an undesignated Blinebry Oil pool with the production of oil from the Glorieta and Drinkard zones to be through parallel strings of 2 1/16-inch tubing and the production of oil from the Blinebry zone to be through a dual zone flow tube and a string of 1-inch tubing.
- CASE 2554: Application of T. F. Hodge for an order creating a new pool and establishing temporary rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new pool for Pennsylvanian production; the discovery well for said pool is the Humble-State Well No. 1, located in

Unit N of Section 26, Township 10 South, Range 33 East, Lea County, New Mexico, completed in the Bough "C" zone of the Pennsylvanian formation with perforations from 9667 feet to 9671 feet. Applicant further seeks establishment of special rules and regulations governing said pool, including 80-acre proration units.

CASE 2555:

Application of Gulf Oil Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its J. F. Janda (NCT-F) Well No. 6, located in Unit D of Section 4, Township 22 South, Range 36 East, Lea County, New Mexico, as a dual completion (conventional) in the Jalmat Gas Pool and South Eunice Pool with the production of oil from the Jalmat Gas Pool to be through a string of 1 1/4-inch tubing and the production of oil from the South Eunice Pool to be through a parallel string of 2 3/8-inch tubing.

CASE 2556:

Application of Gulf Oil Corporation for an unorthodox oil well location and a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Lillie Well No. 3, located 2310 feet from the North line and 330 feet from the West line of Section 23, Township 24 South, Range 37 East, Lea County, New Mexico, as a dual completion (conventional) in the Fowler-Fusselman and Fowler-Ellenburger Pools with the production oil from both zones to be through a parallel strings of tubing. Said well is at an unorthodox location under the Fowler-Ellenburger Pool Rules.

CASE 2557:

Application of Gulf Oil Corporation for a unit agreement and a secondary recovery project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Dollarhide Devonian Unit Agreement embracing 765.25 acres, more or less, of Federal and State lands in Townships 24 and 25 South, Range 38 East, Lea County, New Mexico. Applicant further seeks permission to institute a secondary recovery project in the proposed West Dollarhide Devonian Unit Area by injection of water into the Devonian formation into certain wells located in said unit.

PAN-AMERICAN PETROLEUM CORPORATION

1962 APR 13 AM 12

P. O. Box 268
Lubbock, Texas

April 11, 1962

File: JET-4103-950.4

Subject: Gas Production
State "AK" No. 1
Caprock-Queen Field
Chaves County, New Mexico

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

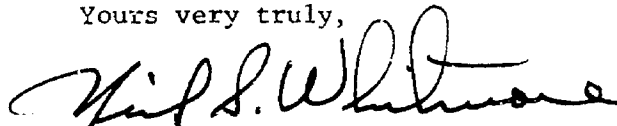
Dear Sir:

Pan American Petroleum Corporation respectfully requests an Examiner's Hearing for an exception to Order No. R-660, Re: Caprock-Queen Oil Pool, for production of gas from the Pan American State "AK" Well No. 1 located in Unit N, Section 19, T-15-S, R-31-E, Chaves County, New Mexico.

The subject well is classified as a shut-in gas well, completed in the Caprock-Queen reservoir one location west of the presently defined horizontal limits of the Pool. A gas allowable equivalent to the total reservoir voidage of a top allowable oil well producing at the limiting 2000:1 GOR will be requested.

Early scheduling of this hearing will be appreciated.

Yours very truly,


Neil S. Whitmore

JTR/sc

cc: Messrs. K. J. Barr
V. E. Staley

*Robert
Mailed
4/26/62
QV*

Case 2548