

*Entered May 18, 1961
K.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. 2271
Order No. R-1967

APPLICATION OF PAN AMERICAN
PETROLEUM CORPORATION FOR TWO
NON-STANDARD OIL PRORATION UNITS
AND FOR AN UNORTHODOX OIL WELL
LOCATION, 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 May 4, 1961, 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 11th day of May, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, 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 the applicant, Pan American Petroleum Corporation, seeks the establishment of a 70.58-acre non-standard oil proration unit in the Cha Cha-Gallup Oil Pool, consisting of Lots 8 and 9 and the S/2 of that portion of the San Juan River channel lying in the S/2 NE/4, all in Section 18, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico.

(3) That the applicant seeks approval of an unorthodox location for its Navajo Tribal "G" Well No. 7, at a point 2545 feet from the North line and 1670 feet from the East line of said Section 18, to which well the above-described 70.58-acre non-standard proration unit would be dedicated.

(4) That the applicant further seeks approval of a 46.75-acre non-standard oil proration unit in said pool, consisting of Lot 6 and the S/2 of that portion of the San Juan River channel

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lying in the SE/4, all in Section 16, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico, said unit to be dedicated to the Navajo Tribal "E" Well No. 10, located 660 feet from the South line and 1980 feet from the East line of said Section 16.

(5) That inasmuch as the above-described non-standard oil proration units are sought for the purpose of continuing the orderly development along the Northern boundary of the Navajo Indian Reservation in this area, the subject application should be granted.

(6) That the above-described non-standard oil proration units are presumed to be productive of oil from the Cha Cha-Gallup Oil Pool.

(7) That the above-described unorthodox location for the applicant's Navajo Tribal "G" Well No. 7 should be approved, provided however, that the results of a deviational survey should be reported to the Santa Fe Office of the Commission, and in the event such survey indicates the possibility that the subject well is bottomed outside the proration unit which is dedicated to it, then a directional survey should be taken.

IT IS THEREFORE ORDERED:

(1) That a 70.58-acre non-standard oil proration unit in the Cha Cha-Gallup Oil Pool, consisting of Lots 8 and 9 and the S/2 of that portion of the San Juan River channel lying in the S/2 NE/4, all in Section 18, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico, is hereby established.

(2) That the applicant is hereby granted permission to locate its Navajo Tribal "G" Well No. 7 at an unorthodox location 2545 feet from the North line and 1670 feet from the East line of said Section 18, to which well the above-described 70.58-acre non-standard proration unit is to be dedicated.

PROVIDED HOWEVER, That the results of a deviational survey of said well shall be reported to the Santa Fe Office of the Commission, and in the event such survey indicates the possibility that the subject well is bottomed outside the proration unit which is dedicated to it, then a directional survey shall be taken.

(3) That the allowable which will be assigned to said Navajo Tribal "G" Well No. 7 shall bear the same ratio to a standard allowable in the Cha Cha-Gallup Oil Pool as 70.58 bears to 80.

(4) That a 46.75-acre non-standard oil proration unit in

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the Cha Cha-Gallup Oil Pool, consisting of Lot 6 and the S/2 of that portion of the San Juan River channel lying in the SE/4, all in Section 16, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico, is hereby established. Said unit is to be dedicated to the Navajo Tribal "E" Well No. 10, located 660 feet from the South line and 1980 feet from the East line of said Section 16.

(5) That the allowable which will be assigned to said Navajo Tribal "E" Well No. 10 shall bear the same ratio to a standard allowable in the Cha Cha-Gallup Oil Pool as 46.75 bears to 80.

(6) 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



EDWIN L. MECHEM, Chairman


E. S. WALKER, Member
A. L. PORTER, Jr., Member & Secretary

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