

Subscribed November 23, 1963
R. J. R.

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. 2901
Order No. R-2579

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 25, 1963, 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 18th day of October, 1963, 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 authority to drill its SMU Well No. 17 at an unorthodox location in the Fowler-Ellenburger Pool 1980 feet from the North line and 1980 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 W/2 NE/4 of said Section 15 to the proposed well and to its SMU Well No. 9 located in Unit B 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 W/2 NE/4 of said Section 15, thereby preventing waste.

-2-

CASE No. 2901
Order No. R-2579

(5) That to prevent waste and to protect correlative rights, the applicant should be required to produce its SMU Well No. 9 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 SMU Well No. 17 at an unorthodox location in the Fowler-Ellenburger Pool 1980 feet from the North line and 1980 feet from the East line of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That the W/2 NE/4 of said Section 15 shall be dedicated to the applicant's SMU Well No. 17 and to the SMU Well No. 9 located in Unit B of said Section 15.

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

PROVIDED HOWEVER, That the applicant's SMU Well No. 9 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


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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

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