

*Entered December 16, 1966  
C.F.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. 3499  
Order No. R-3165

APPLICATION OF PAN AMERICAN PETROLEUM  
CORPORATION FOR PRESSURE INTERFERENCE  
TESTS, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 30, 1966, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 16th day of December, 1966, 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 for the operators in the Cato-San Andres Pool, Chaves County, New Mexico, to conduct a pressure interference test in said pool by shutting in a number of wells in said pool and by producing the Pan American Baskett "D" Well No. 1, located in Unit G, Section 11, Township 8 South, Range 30 East, NMPM, Chaves County, New Mexico, at capacity.

(3) That the applicant also seeks authority to transfer the allowable from other wells on said Baskett "D" Lease to said Well No. 1, to temporarily overproduce said lease, and to make up the overproduction at the conclusion of the test period by curtailment of wells on said lease.

(4) That the applicant further seeks authority for any operator in said Cato-San Andres Pool to accumulate underproduction

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on any lease where wells will be shut-in, for production upon conclusion of the interference tests.

(5) That the applicant seeks permission to take interference tests in order to gather reservoir data in the Cato-San Andres Pool.

(6) That applicant's request should be granted in order to gain additional reservoir information.

IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby authorized to conduct a pressure interference test in the Cato-San Andres Pool, Chaves County, New Mexico, by producing its Baskett "D" Well No. 1, located in Unit G of Section 11, Township 8 South, Range 30 East, NMPM, at capacity, and by shutting in the following wells:

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM

Pan American	ABKO Federal "B"	No. 1, Unit M, Section 1
Pan American	Thelma Crosby "B"	No. 1, Unit I, Section 3
Pan American	Queen	No. 1, Unit C, Section 10
Pan American	Queen	No. 2, Unit E, Section 10
Pan American	ABKO Federal	No. 1, Unit H, Section 10
Pan American	ABKO Federal	No. 2, Unit G, Section 10
Pan American	Baskett "C"	No. 1, Unit O, Section 10
Pan American	Baskett	No. 1, Unit L, Section 11
Pan American	Baskett "B"	No. 1, Unit F, Section 11
Pan American	Baskett "D"	No. 2, Unit A, Section 11
Pan American	Baskett "D"	No. 3, Unit O, Section 11
Pan American	Baskett "D"	No. 4, Unit I, Section 11
Pan American	C. S. Wosley	No. 1, Unit C, Section 14
Pan American	Baskett "E"	No. 1, Unit A, Section 15

(2) That Union Texas Petroleum Corporation is hereby authorized to shut in the following wells:

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM

Union Texas	J. E. Cato	No. 1, Unit I, Section 10
Union Texas	Baskett	No. 1, Unit K, Section 10
Union Texas	Baskett	No. 2, Unit E, Section 11

(3) That the applicant, Pan American Petroleum Corporation, is hereby authorized to transfer the allowable from its Baskett "D"

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Wells Nos. 2, 3, and 4, located in Units A, O, and I, respectively, of Section 11, Township 8 South, Range 30 East, NMPM, Chaves County, New Mexico, to its Baskett "D" Well No. 1, located in Unit G of said Section 11 and to produce said well at capacity until a 10-psi pressure drop has appeared in at least one observation well, provided however, if said capacity production should cause said Baskett "D" Lease to be overproduced, all wells on said lease shall be curtailed upon conclusion of the test period and said overproduction made up within 90 days following conclusion of the test; and provided further, that in no case shall the applicant overproduce its Baskett "D" Well No. 1 more than 30 days without obtaining permission from the Secretary-Director of the Commission after notifying the offset operators.

(4) That the Secretary-Director of the Commission is hereby authorized to approve the shutting in of additional wells owned by Pan American Petroleum Corporation or Union Texas Petroleum Corporation or by any other operator in the Cato-San Andres Pool, provided the operator of the well proposed to be shut in requests such approval and notifies all other operators in the pool of his intent.

(5) That the operator of any well shut in pursuant to the provisions of Order (1), (2), or (4) above is hereby authorized to accumulate underproduction during the period said well is shut in, provided however, that said underproduction shall be produced only by the well incurring the underproduction and provided further, that said underproduction shall be produced within 90 days after placing the well back on production.

(6) That prior to shutting any well in for pressure interference tests, the operator thereof shall conduct a 24-hour test of said well and shall file the results of said test on Form C-116 with the Hobbs District Office of the Commission. In no event will the daily amount of underproduction accruing to the well during the shut-in period exceed the ability of the well to produce, as shown by the test, or top unit allowable for the Cato-San Andres Pool, whichever is less.

(7) That the provisions of Rule 502, Sections I, II, III, and IV, are hereby suspended for wells in the Cato-San Andres Pool which are shut in for pressure interference tests pursuant to the provisions of this order.

(8) That no well shall be permitted to accrue underproduction for more than 30 days without specific authority from the Secretary-Director of the Commission.

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(9) 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

  
GUYTON B. HAYS, Member

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

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