

Entered February 1, 1967

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. 3518
Order No. R-3186

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR AN UNORTHODOX LOCATION
AND POSSIBLE DIRECTIONAL DRILLING, SAN
JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 25, 1967, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 1st day of February, 1967, 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 an exception to the Special Rules and Regulations for the Tocito Dome-Pennsylvanian "D" Pool to drill its Navajo Tribal "N" Well No. 9 at an unorthodox location 600 feet from the North line and 1200 feet from the West line of Section 20, Township 26 North, Range 18 West, NMPM, San Juan County, New Mexico, in order to be able to encounter the Pennsylvanian "D" producing section below the gas-oil contact and above the oil-water contact.

(3) That a well drilled at the proposed location is more likely to encounter the Pennsylvanian "D" producing section below the gas-oil contact and above the oil-water contact than a well drilled at a standard location for said pool and should, therefore, result in greater ultimate recovery of oil.

-2-

CASE No. 3518

Order No. R-3186

(4) That the applicant also seeks permission to intentionally deviate said well, if necessary, in such direction and to such extent as necessary to encounter the Pennsylvanian "D" producing section below the gas-oil contact and above the oil-water contact.

(5) That the directional drilling of the subject well will not impair correlative rights and may be necessary to enable the operator to encounter the Pennsylvanian "D" producing section in the desired relation.

(6) That the applicant should be permitted to directionally drill, if necessary, provided the subject well is bottomed no nearer than 100 feet to the outer boundary of the 160-acre proration unit to which it is dedicated.

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the Tocito Dome-Pennsylvanian "D" Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby granted an exception to the well location requirements of the Special Rules and Regulations governing the Tocito Dome-Pennsylvanian "D" Pool and is hereby authorized to drill its Navajo Tribal "N" Well No. 9 at an unorthodox location 600 feet from the North line and 1200 feet from the West line of Section 20, Township 26 North, Range 18 West, NMPM, San Juan County, New Mexico.

(2) That the applicant, Pan American Petroleum Corporation, is hereby authorized to set a whipstock at approximately 5500 feet in said Navajo Tribal "N" Well No. 9 and directionally drill said well, if necessary, in such direction and to such extent as necessary to encounter the Pennsylvanian "D" producing section below the gas-oil contact and above the water-oil contact;

PROVIDED HOWEVER, that said well shall be bottomed no nearer than 100 feet to the outer boundary of the 160-acre proration unit to which it is dedicated;

-3-

CASE No. 3518

Order No. R-3186

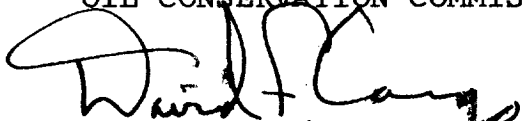
PROVIDED FURTHER, that a continuous multi-shot directional survey shall be made of the entire well bore with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report to the Santa Fe Office of the Commission, Box 2088, Santa Fe, New Mexico; that the operator shall notify the Commission's Aztec District Office of the date and time said survey is to commence.

(3) That Form C-105 shall be filed in accordance with Commission Rule 1105 and the operator shall indicate thereon true vertical depths in addition to measured depths.

(4) 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



DAVID F. CARGO, Chairman



GUYTON B. HAYS, Member



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

S E A L

esr/