Entered July 1, 1169

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. 4154 Order No. R-3783

NOMENCLATURE

APPLICATION OF PAN AMERICAN PETROLEUM CORPORATION FOR A POOL CREATION AND DISCOVERY ALLOWABLE, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 25, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 7th day of July, 1969, 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 the creation of a new oil pool for Blinebry production in Lea County, New Mexico, comprising the NW/4 SE/4 of Section 2, Township 21 South, Range 36 East, NMPM, and the assignment of an oil discovery allowable in the amount of approximately 28,510 barrels to the discovery well.
- (3) That the Pan American Petroleum Corporation State "C" Tract 11 Well No. 3, located 1980 feet from the South line and 1980 feet from the East line of said Section 2, has discovered a separate common source of supply which should be designated

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the Hardy-Blinebry Pool; that the vertical limits of said pool should be the Blinebry formation and that the horizontal limits of said pool should be the NW/4 SE/4 of said Section 2.

(4) That the discovery well for the aforesaid pool, Pan American Petroleum Corporation's State "C" Tract 11 Well No. 3, is entitled to and should receive a bonus discovery oil allowable in the amount of 28,510 barrels, based upon the top perforations in said well at 5702 feet, to be assigned over a two-year period.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as an oil pool for Blinebry production, is hereby created and designated the Hardy-Blinebry Pool, with vertical limits comprising the Blinebry formation and horizontal limits comprising the following-described area:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM Section 2: NW/4 SE/4

- (2) That the discovery well, Pan American Petroleum Corporation's State "C" Tract 11 Well No. 3, located 1980 feet from the South line and 1980 feet from the East line of Section 2, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby authorized an oil discovery allowable of 28,510 barrels to be assigned to said well at the rate of 40 barrels per day in accordance with Rule 509 of the Commission Rules and Regulations.
- (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

DAVID F. CARGO, Chairman

ARMIJO, Member

SEAL

esr/

L. PORTER, Jr., Jember & Secretary