

CASE 2883: Application of PAN AM.
for an unorthodox location, Lea
County, New Mexico.

Cont to
Sept 25th
to be
re-advertised
~~re~~
unorthodox for
Fowler Pl 990' FSL
and 1650' FEL
Sec 15 Twp 24 S, Rge 37E

1950/10.

2883

edition, Transcript,
all Exhibits, Etc.

DRAFT

JMD/esr

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. 2883

Order No. R- 2575

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

August 21, 1963,
This cause came on for hearing at 9 o'clock a.m. on *and 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 25 day of September, 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 an exception to the Special Rules and Regulations governing the Fowler-Blinebry Oil Pool to drill *its South Mattie Hunt well No 14* at an unorthodox location 990 feet from the South line and 1650 feet from the East line of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That *the applicant* ~~approval of the subject application should result in recovery of otherwise unrecoverable oil and gas as the applicant proposes to triply complete the subject well in the Tubbs Gas Pool, Blinebry Oil Pool, and Paddock Gas Pool, and the geological location in the Fowler-Blinebry Oil Pool; that due to the differences in well location requirements in the three pools it is impossible to drill one well at a standard location in all three pools.~~

(4) That approval of the application will 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 Fowler-Blinebry Oil Pool and is hereby authorized to drill ^{its South Matij Hunt well no 16} ~~a well~~ at an unorthodox ^{in said pool} location, 990 feet from the South line and 1650 feet from the East line of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) 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 herein-above designated.

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 9/30

CASE 2883

Hearing Date 8/21/63 & 9/25/63
9 am DSD @ SF

My recommendations for an order in the above numbered cases are as follows:

Enter an order approving a
non standard location in the
Fowler Blinbury Oil Pool for
Pan American Petr Co.'s South
Matney Unit Well No 16.

Find that well is proposed as a
triple completion, and is ~~the~~ proposed
as a standard location in the
Fowler Tuba gas Pool and
Fowler Paddock gas Pool ~~and~~ and
that it is impossible to drill a well
at a location compatible to all three
of the proposed pools.

Location of No 16 well is 990'
FSL & 1650' FFL of Sec 15 Twp
24 S, Rge 37 E, Lea Co NM.

[Signature]

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
E. B. JENNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

October 3, 1963

Mr. Charles Malone
Atwood & Malone
Attorneys at Law
Post Office Box 700
Roswell, New Mexico

Re: Case No. 2883
Order No. R-2575
Applicant:
Pan American Petroleum Corp.

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ix/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Antec OCC

OTHER Mr. Guy Buell

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. 2883
Order No. R-2575

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 August 21, 1963, and 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 3rd 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 an exception to the Special Rules and Regulations governing the Fowler-Blinebry Oil Pool to drill its South Mattix Unit Well No. 16 at an unorthodox location 990 feet from the South line and 1650 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 triplicate complete the subject well at a standard location in the Fowler-Tubb Gas Pool and Fowler-Paddock Gas Pool, and an unorthodox location in the Fowler-Blinebry Oil Pool; that due to the differences in well location requirements in the three pools it is impossible to drill one well at a standard location in all three pools.
- (4) That approval of the application will prevent waste and protect correlative rights.

-2-

CASE No. 2883
Order No. R-2575

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 Fowler-Blinberry Oil Pool and is hereby authorized to drill its South Mattix Unit Well No. 16 at an unorthodox location in said pool 990 feet from the South line and 1650 feet from the East line of Section 15, Township 24 South, Range 37 East, MNPM, Lea County, New Mexico.

(2) 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
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

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

esr/

UNORTHODOX LOCATION
FOWLER BLINEBRY OIL POOL
SOUTH MATTIX UNIT WELL NO. 16
CASE NO. 2883
AUGUST 21, 1963

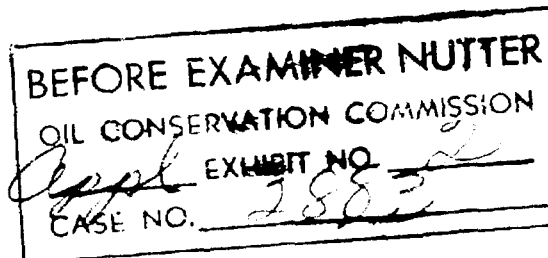
DISCUSSION

Pan American Petroleum Corporation, operator of the South Mattix Unit, respectfully requests that approval be granted for the unorthodox location in the Fowler Blinebry oil pool for its South Mattix Unit Well No. 16, located 990' from the south line and 990' from the west line of the SE/4 of Section 15, T-24-S, R-37-E, Lea County, New Mexico. SMU Well No. 16 will be a triple completion in the Fowler Tubb Gas, Fowler Blinebry Oil, and Fowler Paddock Gas pools.

The proposed location conforms to existing temporary field rules for the Fowler Paddock Gas and Fowler Tubb Gas pools which became effective March 1, 1963 (Orders No. R-2426 and R-2425). Rule 4 for each of these fields reads as follows: "Each well completed or re-completed in the Fowler Paddock Gas pool (and Fowler Tubb Gas pool) shall be located no nearer than 990' to the outer boundary of the quarter section and no nearer than 330' to any governmental quarter-quarter section line". However, the proposed location does not conform to the spacing pattern of the temporary field rules for the Fowler Blinebry Oil pool which were also approved March 1, 1963 (Order R-2424). The spacing rule for this field is as follows: "Each well completed or recompleted in the Fowler Blinebry Oil pool shall be located within 150' of the center of either quarter-quarter section in the 80 acre unit." Therefore, a triple producer cannot be drilled in these three fields without being an unorthodox location in either one or two of the fields.

The cost to drill and complete a triple Paddock Gas, Blinebry Oil and Tubb Gas producer is approximately \$112,000. In order to obtain production from these three pools without having an unorthodox location, drilling of a single Blinebry oil and dual Paddock and Tubb gas well would be required. Estimated cost to drill and equip a Blinebry single is \$70,000 and for a Paddock-Tubb dual, \$90,000 for a total drilling and development cost for these completions of \$160,000. Therefore, an economic saving of \$48,000 will result by the completion of a triple producer.

As can be noted on the attached structure map contoured on top of the Blinebry marker, no structural benefit will be gained by drilling the SMU Well No. 16 at an unorthodox location. Also, the proposed location is being moved further away and not crowding lease lines. Therefore, it is requested that the unorthodox location of SMU Well No. 16 in the Fowler Blinebry Oil pool be approved.



FOWLER BLINEBRY OIL POOL
LEA COUNTY, NEW MEXICO

GENERAL

The first well to produce oil from the Blinebry formation in the Fowler area was Pan American Petroleum Corporation's State "D" Tract 14 Well No. 1 (P-16-24-37). The well was deepened to the Blinebry in August 1950 and perforated over intervals 5705' to 5765' (-2458' to -2518'). Following a 7500 gallon acid job, the well potentialized pumping for 17 BOPD plus 40 BWPD on August 10, 1950. Production rapidly declined and on a test taken in March 1951, the well pumped 3 BO and 36 BW in 20 hours. On April 23, 1951 the Blinebry zone was abandoned in this well after a cumulative production of 234 BO and the well was recompleted in the Langlie Mattix Field.

Gulf Oil Corporation's Plains Knight Well No. 2 (N-23-34-37) was completed in the Blinebry formation in February, 1954. After acidizing the perforated interval 5290' to 5590' (-2073' to -2373') with 8,000 gallons, the well potentialized flowing 57 BOPD plus 1 BWPD on February 9, 1954. Cumulative production from this well as of June 1, 1963 was 28,988 barrels. During May 1963, average daily production from the well was 8 BOPD plus 3 BWPD.

The third well completed in the Fowler Blinebry Oil pool was Pan American operated South Mattix Unit Well No. 14. The Blinebry formation was perforated in ten intervals from depths of 5380' to 5670' (-2116' to -2406'). Perforated intervals 5380' to 5538' and 5591' to 5670' each were selectively acidized with 2,000 gallons acid. On initial potential in September 1962, South Mattix Unit Well No. 14 flowed 144 BO plus 0 BW in 24 hours with a TPF of 400 psi and a GOR of 1060 cubic feet per barrel. Since completion, the well has continued to flow at a top allowable rate and average daily production in May 1963 was 84 BOPD plus 0 BWPD.

The fourth and most recent completion in the Fowler Blinebry Oil pool is the Pan American operated South Mattix Unit Well No. 3. This well was recompleted from the Upper Silurian formation and dualled in the Blinebry and Tubb zones. The Blinebry formation from depths of 5372' to 5616' was perforated in seven intervals and acidized with 6500 gallons and sand oil fractured with 30,000 gallons. On initial potential on August 8, 1963, the well flowed 220 BO plus 0 BW with a TPF of 1200 - 800 psi and a GOR of 2170 cubic feet per barrel.

Pertinent data for the Fowler Blinebry wells are attached.

STRUCTURAL INFORMATION

The Blinebry structure is a double plunging assymmetrical anticline, the major axis of which trends northwest-southeast. The pay closure is approximately 150'. Based upon the completion data of the Blinebry wells and drill stem tests from other wells in the area, it does not appear

that an oil-water contact in the Blinebry is present, but water production is due to high water saturation in varying localities.

CHARACTERISTICS OF THE RESERVOIR ROCK AND FLUID

The Fowler Blinebry pay is brown, fine to medium crystalline, sometimes granular in texture, dolomite with inter-crystalline and vuggy porosity. Based on log analysis, since no cores have been taken in the Blinebry pay section, average effective porosity for the Blinebry pay calculated from logs is 5.5%. Effective net pay for the Blinebry formation is approximately 36'.

The Blinebry oil has a gravity of 38° API, a solution GOR of 1060 cubic feet/barrel from potential tests and an assumed original reservoir volume factor of 1.60.

PERFORMANCE DATA

An original BHP of 2041 psi at a datum of -2271' was measured with a BHP bomb in the SMU Well No. 14 immediately after completion in October, 1962. This well has flowed at top allowable since completion.

The Gulf Plains-Knight Well No. 2 is apparently located near the limit of porosity development to the southeast. This well has never produced at top allowable and is currently making approximately 8 BOPD. Based on the current 20% annual decline, the ultimate recovery from this well will be approximately 39,000 barrels.

STANDARD OIL COMPANY OF TEXAS

A DIVISION OF CALIFORNIA OIL COMPANY

P. O. BOX 1249 • HOUSTON 1, TEXAS

1963 AUG 15 15

August 19, 1963

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Gentlemen:

Standard Oil Company of Texas, a Division of California Oil Company, has no objection to the application of Pan American Petroleum Corporation (Case 2883) for approval of an unorthodox location for the Fowler-Blinebry Oil Pool 990 feet from the South and West lines, Section 15, Township 24 South, Range 37 East, Lea County, New Mexico, for a well to be drilled as a Tubb gas, Blinebry oil and Paddock gas triple completion.

Yours very truly,

C. N. Segnar Rm:
C. N. Segnar
Chief Engineer

RLMc:ja

cc: Pan American Petroleum Corporation
P. O. Box 268
Lubbock, Texas

HUMBLE OIL & REFINING COMPANY

MIDLAND, TEXAS

August 27, 1963

MIDLAND AREA

POST OFFICE BOX 1600

Fowler (Blinebry) Oil Pool
Unorthodox Location For
Pan American's South Mattix Unit
Well No. 16
Lea County, New Mexico

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

Humble Oil & Refining Company has no objection to Pan American's application for an unorthodox Fowler (Blinebry) oil pool location for their South Mattix Unit, Well No. 16, to be located 990 feet from south and west lines of the SE/4, Section 15, T-24-S, B 37-E, Lea County, New Mexico.

Yours very truly,

HUMBLE OIL & REFINING COMPANY

R. R. McCarty

H. L. Hensley

BY: H. L. Hensley

WGD/sam

cc: Mr. Neil S. Whitmore,
Pan American Petroleum Corporation



CONTINENTAL OIL COMPANY

P. O. BOX 1577
ROSWELL, NEW MEXICO

PRODUCTION DEPARTMENT
NEW MEXICO DIVISION
A. B. SLAYBAUGH
DIVISION SUPERINTENDENT
V. C. EISSLER
ASSISTANT DIVISION SUPERINTENDENT

August 15, 1963

825 PETROLEUM BUILDING
TELEPHONE: MAIN 2-4202

Case file

New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr., Secretary-Director

Gentlemen:

Re: CASE NO. 2883 - APPLICATION
OF PAN AMERICAN PETROLEUM
CORPORATION FOR NON-STANDARD
LOCATION

Continental Oil Company is a working interest owner in the South Mattix Unit and as such is interested in the proposed triple completion of South Mattix Unit Well No. 16. We would like to point out that considering the three formations involved in the proposed dual completion, it would be impossible to locate the well in conformity with the field rules governing all such zones. The proposed location appears to be one which comes the closest to such conformity.

In view of the above situation, Continental Oil Company respectfully urges the Commission to grant exception to the Fowler Blinebry Pool rules for the South Mattix Unit No. 16, as requested.

Yours very truly,

A. B. Slaybaugh

VTL-pr

cc: N. S. Whitmore, Pan American Petr. Corp., Lubbock, Texas
H. W. Mathews, Standard Oil Co. of Texas, Houston 1, Texas
A. D. Kloxin, The Atlantic Refining Co., Roswell, New Mexico
A. F. Bolton, Delhi Taylor, Midland, Texas
RGP JRP

No. 27-63

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 25, 1963

9:00 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, or Elvis A. Utz, as alternate examiner:

- CASE 2883: (Continued from the August 21st examiner hearing)
Application of Pan American Petroleum Corporation for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a Tubb gas, Blinebry oil and Paddock gas triple completion, Fowler Field, at an unorthodox location for the Fowler Blinebry Oil Pool 990 feet from the South line and 1650 feet from the East line of Section 15, Township 24 South, Range 37 East, Lea County, New Mexico.
- CASE 2901: Application of Pan American Petroleum Corporation for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to drill its SMU Well No. 17 at an unorthodox location 1980 feet from the North line and 1980 feet from the East line of Section 15, Township 24 South, Range 37 East, Fowler Ellenburger Pool, Lea County, New Mexico.
- CASE 2902: Application of Pioneer Production Corporation for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Blanco Mesaverde and Basin-Dakota Gas Pools underlying the S/2 of Section 28, Township 30 North, Range 12 West, San Juan County, New Mexico.
- CASE 2903: Application of Coastal States Gas Producing Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Gulf State Well No. 1, located in Unit F of Section 20, Township 17 South, Range 36 East, Lea County, New Mexico, to produce oil from the Double-A Abo Pool and an undesignated Lower Leonard pool through parallel strings of tubing.
- CASE 2904: Application of Coastal States Gas Producing Company for the creation of a new Abo Pool and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Abo production in Sections 15 and 16, Township 9 South, Range 33 East, Lea County, New Mexico, and for the establishment of temporary rules therefor, including provisions for 80-acre spacing and fixed well locations.
- CASE 2905: Application of Robert N. Enfield for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Indian Basin Unit Area comprising 4,278.29 acres of Federal, State and fee lands in Township 21 South, Range 23 East, Eddy County, New Mexico.
- CASE 2906: Application of Western Oil Fields, Inc. for a quadruple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the quadruple completion (tubingless) of its Gulf Hill No. 4 located in Unit S of Section 4, Township 21 South, Range 37 East, Lea County, New Mexico, to produce oil from the Penrose-Skelly, Tubb, Drinkard and Wantz Abo

Foots, through parallel strings of 2 7/8 inch casing cemented in a common well bore.

- CASE 2907: Application of Penroc Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Indian Hills-Upper Pennsylvanian Gas Pool underlying Section 19, Township 21 South, Range 24 East, Eddy County, New Mexico.
- CASE 2908: Application of Penroc Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Morrow section of the Pennsylvanian formation underlying Section 19, Township 21 South, Range 24 East, Indian Hills Field, Eddy County, New Mexico.
- CASE 2909: Application of Sinclair Oil & Gas Company for the extension of a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Grayburg-Jackson Waterflood Project, Grayburg Jackson Pool, Eddy County, New Mexico, by the injection of water into 7 additional wells located in Sections 3, 4, 5, 8, 9, and 10, Township 17 South, Range 31 East. Applicant further seeks an administrative procedure for further expansion of the project by the conversion to water injection of 30 additional wells in three 6-month stages commencing in early 1964, said wells to be located in Sections 3, 5, 6, 7, 8, 9 and 10 of said township.
- CASE 2910: Application of Big (6) Drilling Company for extension of an existing oil pool and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the Scharb Bone Spring Oil Pool to comprise the W/2 of Section 5, all of Section 6, and the N/2 of Section 7, Township 19 South, Range 35 East, Lea County, New Mexico, and for special rules therefor, including 80-acre spacing and proration units to comprise any two contiguous 40-acre tracts, and for fixed well locations.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 21, 1963

9:00 A.M., - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, as alternate examiner:

- CASE 2355: (Reopened and continued from August 7, 1963 examiner hearing)
In the matter of Case 2355 being reopened pursuant to the provisions of Order No. R-2051-A, which order extended the temporary 320-acre proration units for the Bluit-Wolfcamp Gas Pool, Roosevelt County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 160-acre proration units.
- CASE 2883: Application of Pan American Petroleum Corporation for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a Tubb gas, Blinebry oil and Paddock gas triple completion, Fowler Field, at an unorthodox location for the Fowler Blinebry Oil Pool 990 feet from the South and West lines of Section 15, Township 24 South, Range 37 East, Lea County, New Mexico.
- CASE 2884: Application of Continental Oil Company for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project by the injection of water into the Dakota formation through its Table Mesa Well No. 25, located in Unit K, Section 34, Township 28 North, Range 17 West, Table Mesa Pool, San Juan County, New Mexico.
- CASE 2885: Application of John H. Trigg for four unorthodox locations, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the following four unorthodox oil well locations in his waterflood project, Caprock Queen Pool, Chaves County, New Mexico, all in Section 4, Township 14 South, Range 31 East:
- 1320 feet from the North line and 2475 feet from the East line;
 - 2764 feet from the North line and 2557 feet from the East line;
 - 1320 feet from the North line and 1320 feet from the East line;
 - 1320 feet from the North line and 1485 feet from the West line.
- CASE 2886: Application of Ambassador Oil Corporation for a capacity waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a capacity allowable waterflood project on its Federal "Q" lease comprising the NW/4 of Section 3, Township 17 South, Range 30 East, Eddy County, New Mexico, by the injection of water into the Square Lake Pool through 2 wells located in the NW/4 of said Section 3.

CASE 2887:

Application of Apache Corporation for the creation of the West Kennitz Wolfcamp Oil Pool, and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Lower Wolfcamp production in Section 31, Township 16 South, Range 33 East, and the establishment of temporary rules therefor, including provisions for 80-acre spacing and restricted well locations.

CASE 2888:

Application of the British American Oil Producing Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Jalmat Deep Unit Area comprising 10,568.81 acres of State land in Townships 21 and 22 South, Range 35 East, Lea County, New Mexico.

CASE 2889:

Application of A. O. Wooden for the creation of a gas pool, 80-acre spacing therefor, and a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a Queen gas pool for his Harbold Well No. 16 located in Unit N of Section 26, Township 17 South, Range 27 East, Eddy County, New Mexico. Applicant also seeks the establishment of 80-acre spacing for said pool. Applicant further seeks approval of the dual completion (conventional) of the said Harbold Well No. 16 to produce oil from the Premier Sand of the Grayburg formation, Red Lake Pool, through the tubing, and to produce gas from the Penrose sand of the Queen formation through the casing-tubing annulus.

CASE 2876:

(Continued from August 7, 1963 Examiner Hearing)
Application of Consolidated Oil & Gas, Inc. for an unorthodox location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks permission to recomplete its Jicarilla No. 4-8 at an unorthodox Blanco-Mesaverde Pool location 1550 feet from the North line and 890 feet from the West line of Section 8, Township 26 North, Range 5 West, Rio Arriba County, New Mexico.

ATLANTIC

THE ATLANTIC REFINING COMPANY
INCORPORATED - 1870
PETROLEUM PRODUCTS

DOMESTIC PRODUCING DEPARTMENT
NEW MEXICO DISTRICT

BOONE MACAULAY, DISTRICT MANAGER
R. F. CHAMPION, DISTRICT LANDMAN
W. T. EASTES, DISTRICT GEOPHYSICIST
E. R. DOUGLAS, DISTRICT GEOLOGIST
A. D. KLOKIN, DISTRICT DRG. & PROD. SUP'T.
W. P. TOMLINSON, DISTRICT ENGINEER
B. R. WARE, ADMINISTRATIVE SUPERVISOR

August 13, 1963

MAILING ADDRESS
P. O. BOX 1978
ROSWELL, NEW MEXICO

Case file

New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

ATTENTION: Mr. A. L. Porter

Re: Case No. 2883: Triple
Complete at Unorthodox
Location in Fowler
Blinbry Pool

Gentlemen:

In Case No. 2883 to be heard on August 21, 1963, Pan American Petroleum Corporation is requesting permission to drill and triple complete a well at an unorthodox location in the Fowler Blinbry Oil Pool. The well will be drilled at a standard location in the Fowler Tubb and Fowler Paddock gas pools. The Atlantic Refining Company believes these matters to be in the interest of conservation and that correlative rights will be protected. As a working-interest owner in the South Mattix Unit, we urge approval of Pan American's application.

Yours very truly,

W. P. Tomlinson
W. P. Tomlinson *VC*

pam

CLASS OF SERVICE
This is a fast message
order; its deferred char-
acter is indicated by the
proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, President

1901 (4-00)

SYMBOLS
DL=Day Letter
NL=Night Letter
LT=International
Letter Telegram

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination.

LA133 DB246

1903 AUG 19 10 28 P.M.

D LLM199 PD=FAX DALLAS TEX 19 300P CST=

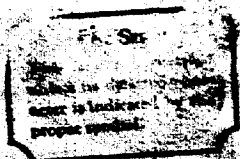
A L PORTER JR=

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE NMEX=

DELHI= TAYLOR OIL CORPORATION RESPECTFULLY REQUESTS
THAT THE APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR AN UNORTHODOX FIELD LOCATION IN THE
FOWLER (BLINEBRY) OIL POOL FOR SOUTH MATTIK UNIT WELL
O. 16 BE APPROVED. THE ECONOMIES WHICH WILL BE REALIZED
FROM THE PROPOSED TRIPLE COMPLETION OF THIS WELL CANNOT
BE REALIZED WITHOUT FAVORABLE ACTION ON AN APPLICATION
FOR UNORTHODOX LOCATION. EXISTING FIELD RULES DO NOT

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE



WESTERN UNION TELEGRAM

1901 (4-00)

SYMBOLS	
DL	Day Later
NL	Night Later
LT	International Later Telegram

W. P. MARSHALL, President

The time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. That of receipt is LOCAL TIME at point of destination.

PERMIT A TRIPLE COMPLETION IN THE FOWLER TUBB GAS.
FOWLER BLINEBRY OIL AND FOWLER PADDOCK GAS POOLS AT ANY
SINGLE LOCATION WHICH IS ORTHODOX WITH RESPECT TO ALL
THREE OF THESE POOLS=

J H DOUGHMAN=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Gulf Oil Corporation

ROSWELL PRODUCTION DISTRICT

W. B. Hopkins
DISTRICT MANAGER
M. I. Taylor
DISTRICT PRODUCTION
MANAGER
F. O. Mortlock
DISTRICT EXPLORATION
MANAGER
M. A. Rankin
DISTRICT SERVICES MANAGER

August 22, 1963

P. O. Drawer 1238
Roswell, New Mexico

Oil Conservation Commission
State of New Mexico
Post Office Box 871
Santa Fe, New Mexico 87501

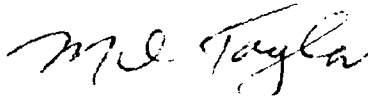
Attention: Mr. A. L. Porter, Jr.

Re: Application of Pan American Petroleum
Corporation for an Unorthodox Field
Location in the Fowler (Blinbry) Oil
Pool for its South Mattix Unit Well
No. 16, Lea County, New Mexico

Gentlemen:

Gulf Oil Corporation has been advised of Pan American's
subject application and we have no objections to the location of
this well being 990 feet from the south and west lines of the
SE/4 of Section 15, Township 24 South, Range 37 East, Lea County,
New Mexico.

Yours very truly,



M. I. Taylor

JHH:ers

cc: Pan American Petroleum Corporation
Post Office Box 268
Lubbock, Texas 79401
Attention: Mr. Neil S. Whitmore



442883

PAN AMERICAN PETROLEUM CORPORATION

Set for hearing

Lubbock, Texas 79401
July 19, 1963

File: JET-4242-986.510.1

Subject: Application of Pan American Petroleum Corporation For An Unorthodox Field Location In The Fowler (Blinbry) Oil Pool For Its South Mattix Unit Well No. 16, Lea County, New Mexico

Mr. A. L. Porter, Jr. (3)
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

Pan American Petroleum Corporation, operator of the South Mattix Unit, respectfully requests that a hearing be docketed to consider its application for an unorthodox location in the Fowler (Blinbry) Oil Pool for its South Mattix Unit Well No. 16 located 990' from the south and west lines of the SE/4 Section 15, T-24-S, R-37-E, Lea County, New Mexico.

The subject well will be a triple completion in the Fowler Tubb Gas, Fowler Blinbry Oil and Fowler Paddock Gas pools. The location of the well conforms to the existing temporary field rules for the Fowler Tubb Gas and Paddock Gas pools; however, it is in exception to the temporary field rules for the Fowler Blinbry Oil pool. A triple producer cannot be drilled in these three fields without being an unorthodox location under the existing temporary field rules.

Attached is a plat of the area reflecting ownership of adjoining leases. Offset operators, as shown below, are notified of this application by copy of this letter.

Yours very truly,

Neil S. Whitmore
Neil S. Whitmore
District Superintendent

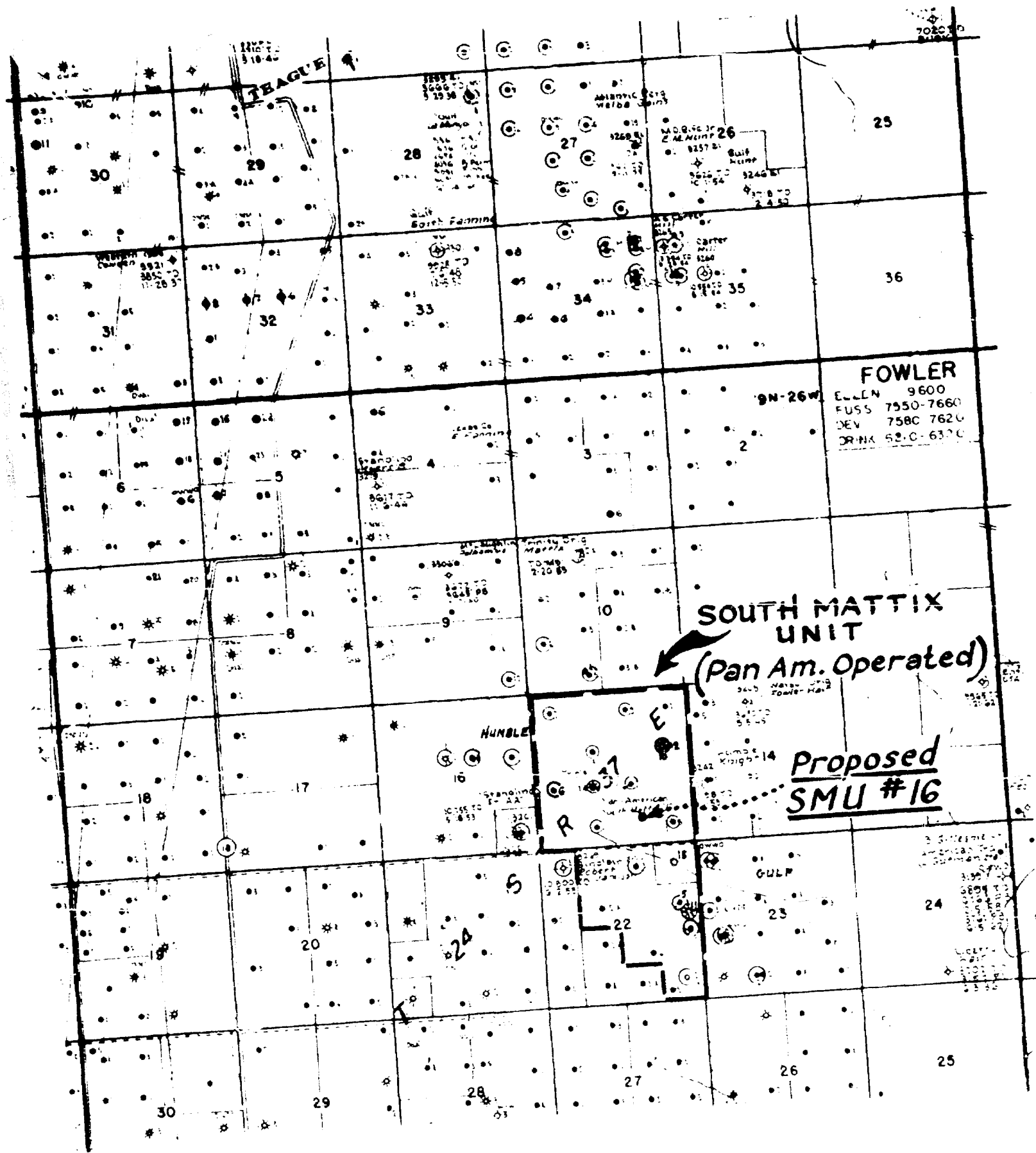
RGH:jb

cc: Mr. H. L. Hensley, Humble Oil & Refining Company, Midland, Texas
Mr. John Hoover, Gulf Oil Corporation, Roswell, New Mexico

DOCKET MAILED
Date 9/13/63

DOCKET MAILED
Date 8-9-63

Page 2883



FOWLER

ELLEN 9600
FUSS 7550-7660
DEV 7580 7620
DRINK 52.0-63.0

SOUTH MATTIX
UNIT
(Pan Am. Operated)

Proposed
SMU #16

HUNBLE

GULF

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 25, 1963

EXAMINER HEARING

IN THE MATTER OF:

Application of Pan American Petroleum Corp.
for an unorthodox location, Lea County,
New Mexico, seeking authority to drill a
Tubb gas, Blinebry oil and Paddock gas
triple completion, Fowler Field, at an
unorthodox location for the Fowler Blinebry Case No. 2883
Oil Pool 990 feet from the South line and
1650 feet from the East line of Section 15,
TS 24 South, Range 37 East, Lea County,
New Mexico

BEFORE: DANIEL S. NUTTER, EXAMINER

TRANSCRIPT OF HEARING

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DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691

PAGE 2

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 25, 1963.

EXAMINER HEARING

IN THE MATTER OF:

Application of Pan American Petroleum
Corporation for an unorthodox location
Lea County, New Mexico, seeking authority) CASE NO. 2883
to drill a Tubb gas, Blinebry oil and)
Paddock gas triple completion, Fowler Field,)
at an unorthodox location for the Fowler)
Blinebry Oil Pool 990 feet from the South)
line and 1650 feet from the East line of)
Section 15, TS 24 South, Range 37 East, Lea)
County, New Mexico.)

BEFORE: DANIEL S. NUTTER, Examiner for the Commission

TRANSCRIPT OF HEARING

MR. NUTTER: Case 2883 next.

MR. DURRETT: Application of Pan American Petroleum
Corporation for an unorthodox location, Lea County, New Mexico.

MR. BUELL: Guy Buell for Pan American Petroleum Corpor-
ation. This case was actually heard at the Examiner Hearing in
July and was continued. The advertisement at that time did not
precisely describe the requested location for the well. It was
continued in order that it could be readvertised at the precise



location. It has been so advertised, and Pan American would like here today to by motion adopt our testimony entered in July.

MR. NUTTER: Does anyone have any appearances they wish to enter in 2883, other than Pan American? Does anyone have any objection to the consolidation of the record of July 21st? The record made on that date will be incorporated in this case. We will take it under advisement.

MR. BUELL: I might point out to the Examiner, the only thing that has occurred since July 21st hearing is that the other two operators in the pool have waived any objection to the motion.

* * * * *

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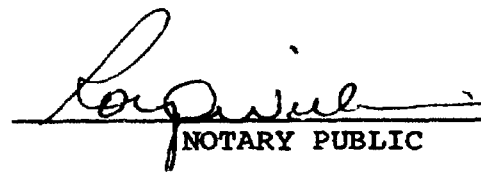
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STATE OF NEW MEXICO X
COUNTY OF BERNALILLO X

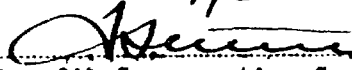
I, ROY D. WILKINS, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal of Office, this 12th day of October, 1963.


NOTARY PUBLIC

My Commission Expires:
September 6, 1967.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2883, heard by me on 9/25, 1963.


Examiner
New Mexico Oil Conservation Commission



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

EXAMINER HEARING

IN THE MATTER OF:

Application of Pan American Petroleum Corporation for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a Tubb gas, Blinebry oil and Paddock gas triple completion, Fowler Field, at an unorthodox location for the Fowler Blinebry Oil Pool 990 feet from the South and West lines of Section 15, Township 24 South, Range 37 East, Lea County, New Mexico.

Case No. 2883

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

August 21, 1963.

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MR. NUTTER: We will call Case 2883.

MR. PAYNE: Application of Pan American Petroleum Corporation for an unorthodox location, Lea County, New Mexico.

MR. MALONE: May it please the Commission, Charles Malone of Atwood and Malone, for the Applicant. We have one witness, Mr. R. G. Howell.

May it please the Commission, it was determined yesterday afternoon and this morning that a minor mistake had been made in the publication of notice on this case but that the mistake probably makes the notice defective. We, therefore, request that the Commission allow the Applicant to present its case this morning, including letters of concurrence from all of the partners of the Applicant in the South Mattix Unit, and that the case be republished and set again for hearing at a later examiner hearing, at which time the Applicant will again be present to present the case if any objection is presented.

MR. NUTTER: Mr. Malone, recognizing that the application for the unorthodox location, or that the advertisement of the case for the unorthodox location is faulty in the description of the well location, we will go ahead and hear the evidence and continue the case to a later date. We will continue this case to the hearing which will be on September 25. In the meantime we will readvertise the case, giving the description in the proper



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manner, reopen the case on September 25, at which time we'll hear any additional evidence from any parties that may wish to make an appearance.

MR. MALONE: May I further state to the Commission that offset operators were furnished a copy of the application in this case showing the correct description, and that an effort is now being made to obtain concurrence by telegram today in this application, and it is possible that the Commission will receive the concurrence of offset operators before this hearing concludes at 5:00 o'clock, or at such other hour as it does conclude.

We have six exhibits.

(Witness sworn.)

(Whereupon, Applicant's Exhibits 1 through 6 were marked for identification.)

REX HOWELL

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. MALONE:

Q Would you state your name, please?

A My name is Rex Howell.

Q By whom are you employed and in what capacity?

A I'm employed by Pan American Petroleum Corporation as a petroleum engineer.



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Q In which office of Pan American, please?

A Lubbock District Office.

Q How long have you been in that capacity at Lubbock?

A Approximately one year.

Q Does the jurisdiction of the Lubbock Office of Pan American include the area which is in question in this application?

A Yes, sir, it does.

Q Are you personally familiar with this application and its details?

A Yes, sir, I am.

Q You have not previously testified before the Commission, is that correct?

A That is correct.

Q Would you briefly state your education and experience in petroleum engineering?

A I was graduated from the University of Texas in January, 1958 with a Bachelor of Science degree in petroleum engineering and was employed by Pan American at that time, and have been serving in that capacity since that date, with the exception of a six-months' period in the U. S. Marine Corps.

MR. MALONE: Would the qualifications of this witness be satisfactory?



MR. NUTTER: Yes, sir, they are.

Q Referring now to your Exhibit No. 1, Mr. Howell, would you please state briefly what this is?

A Exhibit No. 1 is a map of the South Mattix Unit and the surrounding area showing the present completions and the proposed completion of the Well No. 16.

Q The proposed location which is in question in this application is shown by the green arrow, is that correct?

A That's correct.

Q Briefly what is the purpose of this application, Mr. Howell?

A Pan American as operator of the South Mattix Unit is requesting approval of an unorthodox location in the Fowler-Blinebry Oil Pool for the South Mattix Well No. 16, located 990 feet from the south and west lines of the Southeast Quarter of Section 15, Township 24 South, Range 37 East, Lea County, New Mexico. If this completion is approved, Well No. 16 will be completed as a triple producer in the Fowler-Paddock gas, Fowler-Blinebry oil and Fowler-Tubb Gas Pools.

Under the existing temporary field rules a triple completion can not be drilled without either one or two of these locations being unorthodox. If approval of this unorthodox location is granted, application for the triple completion of Well No. 16

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will be filed shortly for administrative approval.

Q There has been a previous triple approved in this area, is that correct?

A That's correct.

Q To what extent is this proposed location unorthodox in the Blinebry?

A This proposed location is being moved approximately 310 feet northwest to a standard Blinebry location which could be located within 150 feet of the center of the Southwest Quarter of the Southeast Quarter.

Q Did you say northwest?

A Northeast, sir.

Q As I understand your testimony, the location is orthodox in the Fowler-Tubb, the Fowler-Paddock, but it is approximately 310 feet unorthodox in the Blinebry, and that under the temporary rules in all three of these fields Pan American is not able to drill a standard location to all three depths, is that correct?

A That's correct.

Q Now, then, under the existing rules in the Blinebry, could Pan American drill a Blinebry well closer to the lease lines than this proposed location is?

A Yes, sir, they could. Under the field rules for the



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Fowler-Blinebry field it states that a well may be drilled within 150 feet of the center of either quarter, quarter section in the 80 acres. Therefore, a well could be drilled approximately 150 feet east of Well No. 8 shown on Exhibit 1.

Q That would be approximately 1320 feet closer to the lease lines and to the offset operators than the location which you would propose, is that right?

A That's correct.

Q Is there anything further on that exhibit?

A No, sir, I believe not.

Q Referring now to Exhibit No. 2, please, what do you have to offer with respect to this exhibit?

A Exhibit No. 2 is Pan American's application, plus on the second or third page certain reservoir data for the Fowler-Blinebry Oil Pool. The first page summarizes the field rules for the three different fields. It also can be pointed out that a triple completion ca. drilled for \$112,000.

In order to obtain production from this without an unorthodox location, the drilling of a single Blinebry would be required. Estimated cost of drilling a single Blinebry is approximately \$70,000, and a Paddock-Tubb dual is approximately \$90,000, or a total drilling of \$160,000. Therefore, an economic savings of approximately \$48,000 will be the result if a triple is drilled.



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Q In other words, if the Commission should see fit to grant this unorthodox location, and later administratively approve your triple completion application, there would be an economic saving to Pan American of about \$48,000?

A That is correct.

Q Anything further with Exhibit 2?

A No, sir.

Q Referring to Exhibit 3, what is it?

A A structure map contoured on top of the Blinebry marker. It shows the proposed location and where a standard Blinebry location would be located. As can be noticed from this structure map, no structural benefit will be gained by this unorthodox location in the Blinebry Pool. Also shown is a trace of a line of cross section which will be shown as a later exhibit

Q That's the solid line marked from well to well and marked A-A¹, is that correct?

A That's correct.

Q In your opinion there is no structural advantage to Pan American in the Blinebry in moving from a standard to the unorthodox location, is that correct?

A No, sir. That's correct.

Q Referring to Exhibit 4, what is it?

A Exhibit No. 4 is a cross section as indicated on the



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previous exhibit, showing the continuity of the Blinebry formation and the pertinent completion data and proposed location for the Blinebry wells.

Q Again, this cross section shows the wells which are marked on the A-A¹ line in the previous Exhibit No. 3, is that right?

A That's right.

Q As a matter of fact, Mr. Howell, these exhibits were presented in the hearing for temporary rules in these three pools, were they not?

A That's correct.

Q They are on file with the Commission?

A Yes, sir.

Q Referring now, please, to Exhibit No. 5, what is this?

A This is a structure map contoured on top of the Paddock pay in the South Mattix Unit area. Also the same line of cross section is shown on this exhibit.

Q Referring to Exhibit 6, what is it?

A Exhibit 6 is a structure map contoured on top of the Tubb pay in this area with a line of cross section also imposed.

Q Mr. Howell, was a copy of the application in this case furnished to the partners of Pan American in the South Mattix Unit?



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A Yes, sir, they were.

Q That was mailed on July 19 of this year?

A Yes, sir.

Q Was a copy of the same application furnished to the offset operators?

A Yes, sir.

Q On the same date?

A On the same date.

Q Has Pan American received any objection from anyone with respect to this application?

A Not to my knowledge.

MR. MALONE: May it please the Commission, I believe there are three letters in the Commission's file, three or more, stating concurrence. We would like to ask that the Commission either mark these exhibits and consider them as evidence or otherwise incorporate them in the case.

MR. NUTTER: The letters will be incorporated in the record of this case.

Q (By Mr. Malone) Mr. Howell, in your opinion as a petroleum engineer would the granting of this application tend to promote conservation and prevent waste?

A Yes, sir, it would. As previously pointed out, a savings of approximately \$48,000 will result if this location



is completed as a triple.

Q Were these exhibits which you've presented prepared by you or under your direction and control?

A Yes, sir, they were.

Q Mr. Howell, is there anything else that you wish to offer in connection with the application?

A No, sir, I don't believe there is.

MR. MALONE: That completes our direct examination, Mr. Examiner.

MR. NUTTER: Are there any questions of Mr. Howell?

MR. PAYNE: Yes, sir.

MR. NUTTER: Mr. Payne.

CROSS EXAMINATION

BY MR. PAYNE:

Q Is the producing interval from which your Blinebry Pool completion will produce unitized also?

A Yes, sir, it is.

Q And you are not moving closer to the lease lines with this unorthodox location?

A No, sir.

Q You are moving in?

A Yes, sir.

MR. PAYNE: Thank you.

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BY MR. NUTTER:

Q As I understand it, the Blinebry Pool rules provide a well must be located within 150 feet of either 40 of the 80 acres that's dedicated to the well?

A That's right.

Q So you have an option of either a 40-acre tract there in that the Fowler-Tubb and Fowler-Paddock Pool rules are identical, that they require that the well be no nearer than 990 to either quarter section and no nearer than 330 to the quarter, quarter section?

A That's right.

Q So, in effect, it's impossible to complete a location and complete it in these three pools that would be compatible with the pool rules of all three?

A That is correct.

Q You are not attempting to get off-pattern, there's no specified location as far as quarter, quarter section or quarter section is concerned here?

A That's right.

Q It's merely a matter of footage within the 40-acre tract?

A Right.

MR. NUTTER: Any other questions of Mr. Howell? He may



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be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Malone?

MR. MALONE: Nothing further.

MR. NUTTER: Would you identify the correspondence that we have received and state the gist of what each one contains?

MR. PAYNE: Mr. Examiner, Delhi-Taylor, Continental Oil Company and Atlantic Refining Company urge approval of the application. Standard Oil Company of Texas states that it has no objection to the application.

MR. NUTTER: Thank you, Mr. Payne. Case 2883 will be continued to the examiner hearing at 9:00 o'clock A.M., September 25, at which time it will be reopened. It will be readvertised in the meantime. Did you offer your exhibits?

MR. MALONE: No. We will offer Applicant's Exhibits 1 through 6 at this time.

MR. NUTTER: Without objection, Exhibits 1 through 6 will be admitted.

(Whereupon, Applicant's Exhibits 1 through 6 were offered and admitted in evidence.)



STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) SS

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 13th day of September, 1963.

Ada Dearnley
Notary Public-Court Reporter

My commission expires:
June 19, 1967.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2883 heard by me on 8/21, 1963.

[Signature] Examiner
New Mexico Oil Conservation Commission

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