

CASE 3588: Application of PAN AM.  
for an unorthodox gas well  
location, Eddy County, N. Mex.

CASE No.  
3588

Application,  
TRANSCRIPTS,  
SMALL Exhibits  
ETC.

ATWOOD & MALONE  
LAWYERS

NEW OFFICE  
MAY 16 AM 9 10  
P. O. BOX 700  
TELEPHONE 505 622-6221  
SECURITY NATIONAL BANK BUILDING  
ROSWELL, NEW MEXICO  
88201

JEFF D. ATWOOD (883-1960)  
ROSS L. MALONE  
CHARLES F. MALONE  
RUSSELL D. MANN  
PAUL A. COOTER  
BOB F. TURNER  
ROBERT A. JOHNSON  
JOHN W. BASSETT, JR.  
ROBERT E. SABIN

May 15, 1967

Mr. A. L. Porter, Jr.  
Secretary-Director  
Oil Conservation Commission  
Post Office Box 2088  
Santa Fe, New Mexico

RE: Case Number 3588 on the May 24, 1967 Docket

Dear Mr. Porter:

Would you please file the enclosed Entry of Appearance on behalf of Pan American Petroleum Corporation in the captioned case. The actual presentation for Pan American Petroleum Corporation will be made by Guy T. Buell, Esquire, of the Texas Bar.

Very truly yours,

ATWOOD & MALONE

*Paul A. Cooter*

Paul A. Cooter

PAC:sah

cc: J. K. Smith, Esquire  
Guy T. Buell, Esquire

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION )  
OF PAN AMERICAN PETROLEUM COR- ) No. 3588  
PORATION FOR AN UNORTHODOX WELL )  
LOCATION, EDDY COUNTY, NEW MEXICO. )

ENTRY OF APPEARANCE

The undersigned, Atwood & Malone, of Roswell, New Mexico,  
a firm of attorneys whose members are duly licensed to practice law  
in the State of New Mexico, hereby enters its appearance in this case  
as New Mexico counsel for Pan American Petroleum Corporation.

DATED at Roswell, New Mexico, this 15th day of May, 1967.

ATWOOD & MALONE

By 

Attorneys for Pan American  
Petroleum Corporation  
Post Office Drawer 700  
Roswell, New Mexico

State of New Mexico  
Oil Conservation Commission



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

June 6, 1967

Case No. 3588  
Order No. R-3251  
Applicant:

A. L. PORTER, Jr.  
Secretary-Director

Hobbs OCC       x        
 Artesia OCC       x        
 Aztec OCC                     
 Other \_\_\_\_\_

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. 3588  
Order No. R-3251

APPLICATION OF PAN AMERICAN PETROLEUM  
CORPORATION FOR AN UNORTHODOX GAS WELL  
LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 24, 1967,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 5th day of June, 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 approval of an unorthodox gas well location in an undesig-  
nated Morrow gas pool for its Poker Lake Unit Federal Well No. 36,  
located 660 feet from the South line and 660 feet from the East  
line of Section 28, Township 24 South, Range 31 East, NMPM, Eddy  
County, New Mexico, to be dedicated to a standard unit comprising  
the S/2 of said Section 28.

(3) That the subject well was drilled as a wildcat oil well  
at a standard location to test the Mississippian formation but was  
non-productive in the Mississippian formation; that the subject  
well was subsequently completed as a wildcat Devonian gas well but  
said completion was non-commercial; that the applicant is recom-  
pleting the subject well to test the Morrow formation.

-2-

CASE No. 3588  
Order No. R-3251

(4) That approval of the subject application will prevent the drilling of unnecessary wells and will otherwise prevent waste and protect correlative rights.

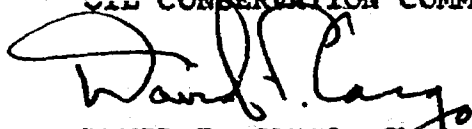
IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby authorized an unorthodox gas well location for its Poker Lake Unit Federal Well No. 36, located 660 feet from the South line and 660 feet from the East line of Section 28, Township 24 South, Range 31 East, NMPM, undesignated Morrow gas pool, Eddy County, New Mexico, to be dedicated to a standard unit comprising the S/2 of said Section 28.

(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



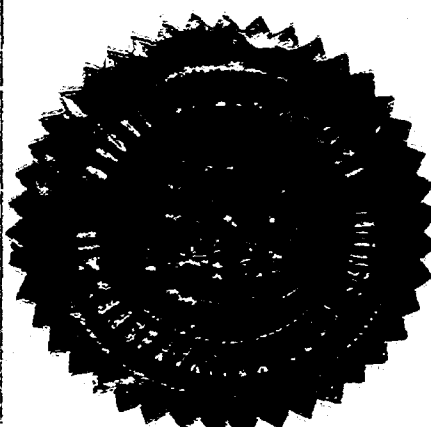
DAVID F. CARGO, Chairman



GYTON B. HAYS, Member



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



esr/

Care 3588

Recd. 5-24-67

Res. 5-29-67

1. Grant Sam Amis request for  
an unorthodox location 660/ S+E line  
Sec. 28 24S-31E, then Poker Lake #36.

2. Grant exception for either a  
monow or - Devonian Res com-  
pletion.

3. Well was drilled at a lld location  
for Mex. oil which the well was  
projected.

Shuttleworth



# PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING P. O. BOX 1410

FORT WORTH, TEXAS—76101

D. L. RAY  
DIVISION ENGINEER

April 18, 1967

File: GHF-187-986.510.1

Subject: Poker Lake Unit Federal No.  
36, (Wildcat), Eddy County,  
New Mexico*Case 3588**Received 24  
May 25*

Mr. A. L. Porter, Jr. (3)  
Secretary-Director  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

Dear Sir:

Pan American Petroleum Corporation has drilled its Poker Lake Unit Federal No. 36, a wildcat, at a location 660' from the South line and 660' from the East line of Section 28, Township 24 South, Range 31 East, Eddy County, New Mexico. This well was projected to and drilled as a 16,200' Mississippian wildcat oil well. The Mississippian was not productive and the well was then deepened and completed as a gas well in the Devonian at 16,700'. This well is currently testing through perforations in the Devonian. If commercial production from the Devonian cannot be obtained, current plans are to come back up the hole and recompleat for gas production from the Morrow.

Under the provisions of Rule 104 B.I.(a) the subject well is at an unorthodox location. Therefore, Pan American Petroleum Corporation respectfully requests administrative approval of this unorthodox location in accordance with Rule 104 F., in that the subject well was drilled to the Mississippian, is now recompleated in the Devonian, with the possibility of a subsequent recompleat effort in the Morrow.

Attached is a plat showing the location of the subject well, the S/2 of Section 28 assigned as the standard 320-acre proration unit, and the ownership of all leases offsetting such proration unit. Perry R. Bass et al is the only offset owner and their waiver of objection to the administrative approval of the unorthodox location is attached.

In the event this request cannot be approved administratively, please docket a hearing at the earliest possible time to consider this application.

Yours very truly,

*D. L. Ray ghf*

DOCKET MAILED

GHF:df  
AttachmentsDate 5-12-67

20

21

22

23

29

PERRY R. BASS, INC.  
"Poker Lake Unit"

PAN AMERICAN PETR.  
CORPORATION  
"Poker Lake Unit"

28

320 ACRES

25 1/2

36

27

TEXACO, INC.  
"Cotton Draw Unit"

26

T  
24  
S

32

33

34

R-31-E

Pan Am. Petr. Corp.,  
WELL LOCATION &  
ACREAGE DED. MAP  
Eddy Co, N.M.  
1" = 2000'

Case 3588

April 18, 1967

Subject: *Case 3588*  
Pan American Petroleum Corporation's  
Poker Lake Unit, Federal No. 36,  
(Wildcat), Eddy County, New Mexico

Mr. A. L. Porter, Jr. (3)  
Secretary-Director  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

Dear Sir:

Perry R. Bass and Richardson Oils, Inc. are the only offset lease owners to the 320-acre proration unit assigned to Pan American Petroleum Corporation's Poker Lake Unit Federal No. 36, in the South half of Section 28, Township 24 South, Range 31 East, Eddy County, New Mexico.

We have been advised of Pan American's request for administrative approval of the unorthodox location of Poker Lake Unit Federal No. 36 and hereby waive objection to such approval.

Yours very truly,

*Perry R. Bass*

Docket No. 16-67

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 24, 1967

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

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

- CASE 3572: Application of Jones Exploration Company for a dual completion and for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State Well No. 1 located in Unit H of Section 35, Township 17 South, Range 35 East, Vacuum Field, Lea County, New Mexico, in such a manner as to permit the production of Abo Reef oil through the tubing and the disposal of produced salt water down the casing-tubing annulus into the Paddock formation in the perforated interval from 6955 to 6995 feet.
- CASE 3573: Application of Aztec Oil & Gas Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the South Corbin Strawn Oil Pool, including a provision for 160-acre proration units and the establishment of a 4000 to one gas-oil ratio limitation.
- CASE 3574: Application of Cima Capitan, Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formations through one well located in Unit C of Section 3, Township 17 South, Range 32 East, Maljamar Pool, Lea County, New Mexico.
- CASE 3575: Application of Harvey E. Yates for a triple completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the triple completion of his Stebbins Deep Federal Well No. 1 located in Unit H of Section 30, Township 20 South, Range 29 East, Eddy County, New Mexico, to produce oil from the Scanlon Delaware Oil Pool through one string of tubing and to selectively produce gas from an undesignated Strawn gas pool and from an undesignated Morrow gas pool through another string of tubing. Selective production of one of the two gas zones at a time would be accomplished by means of a sliding side door and tubing plug.
- CASE 3576: Application of Jomar Industries, Inc. for water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, has proposed to drill certain wells in the S/2 NW/4 SE/4 and the N/2 SW/4 SE/4 of Section 30, Township 18 South, Range 38 East, Lea County, New Mexico, for production of oil from the Ogallala formation. Applicant anticipates that fresh water will be produced from the Ogallala formation incidental to the production of said oil and now seeks authority to dispose of said water back into the Ogallala formation through an injection well or wells to be located no nearer than 330 feet to the outer boundaries of the above-described acreage.

CASE 3577: Application of El Paso Natural Gas Company for four non-standard units, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the following non-standard gas proration units in Township 29 North, Range 7 West, Basin-Dakota Gas Pool, Rio Arriba County, New Mexico:

A 327.78-acre non-standard unit comprising the W/2 of Section 6 and the NW/4 of Section 7, to be dedicated to the San Juan 29-7 Unit Well No. 100 located 790 feet from the South line and 950 feet from the West line of said Section 6;

A 345.19-acre non-standard unit comprising the SW/4 of Section 7 and the W/2 of Section 18;

A 361.64-acre non-standard unit comprising the W/2 of Section 19 and the NW/4 of Section 30;

A 375.28-acre non-standard unit comprising the SW/4 of Section 30 and the W/2 of Section 31.

Each of the latter three non-standard units will be dedicated to a well to be drilled at an as yet undetermined standard location on the respective unit.

CASE 3578: Application of Texas Pacific Oil Company for several non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the dedication and rededication of certain acreage and the establishment of the following non-standard gas proration units in Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico.

A 120-acre non-standard gas proration unit comprising the N/2 NE/4 and the SE/4 NE/4 of Section 7, to be dedicated to the State "A" A/c-2 Well No. 5, located in Unit A of said Section 7, and also to the State "A" A/c-2 Well No. 6 located in Unit B of said Section 7;

A 160-acre non-standard gas proration unit comprising the W/2 W/2 of Section 5, to be dedicated to the State "A" A/c-2 Well No. 41, located in Unit M of said Section 5;

An 80-acre non-standard gas proration unit comprising the E/2 NW/4 Section 5, to be dedicated to the State "A" A/c-2 Well No. 44, located in Unit F of said Section 5;

A 160-acre non-standard gas proration unit comprising the N/2 SE/4 and the E/2 SW/4 Section 5, to be dedicated to the State "A" A/c-2 Well No. 28, located in Unit I of said Section 5;

(Case 3578 continued)

An 80-acre non-standard gas proration unit comprising the S/2 SE/4 of Section 5, to be dedicated to the State "A" A/c-2 Well No. 27, located in Unit P of said Section 5;

A 160-acre non-standard gas proration unit comprising the W/2 SW/4, SE/4 SW/4, and SW/4 SE/4 Section 8, to be dedicated to the State "A" A/c-2 Well No. 54, located in Unit O of said Section 8;

A 160-acre non-standard gas proration unit comprising the S/2 NW/4, NE/4 SW/4, and NW/4 SE/4 of Section 8, to be dedicated to the State "A" A/c-2 Well No. 56, located in Unit J of said Section 8;

An 80-acre non-standard gas proration unit comprising the S/2 NE/4 of Section 8, to be dedicated to the State "A" A/c-2 Well No. 43, located in Unit H of said Section 8;

An 80-acre non-standard gas proration unit comprising the N/2 NW/4 Section 8, to be dedicated to the State "A" A/c-2 Well No. 49, located in Unit C of said Section 8;

A 240-acre non-standard gas proration unit comprising the NE/4 and E/2 NW/4 of Section 9, to be dedicated to the State "A" A/c-2 Well No. 40, located in Unit A of said Section 9;

A 240-acre non-standard gas proration unit comprising the E/2 SE/4 Section 8, and the SW/4 Section 9, to be dedicated to the State "A" A/c-2 Well No. 38, located in Unit K of said Section 9;

A 160-acre non-standard gas proration unit comprising the N/2 NE/4 Section 8, and the W/2 NW/4 of Section 9, to be dedicated to the State "A" A/c-2 Well No. 29, located in Unit D of said Section 9.

CASE 3579: Application of Texas Pacific Oil Company for three dual completions, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State "A" A/c-2 Wells Nos. 28, 54, and 29, located in Unit I of Section 5, Unit O of Section 8, and Unit D of Section 9, respectively, Township 22 South, Range 36 East, Lea County, New Mexico, in such a manner as to produce gas from the Jalmat Gas Pool and oil from the South Eunice Oil Pool.

CASE 3580: Application of Sunray DX Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg formation through one well located in Unit C of Section 17, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Eddy County, New Mexico.

- CASE 3581: Application of Sunray Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation from 4248 feet to 4286 feet in its Harris State Well No. 5 located in Unit I of Section 23, Township 10 South, Range 32 East, Mescalero-San Andres Pool, Lea County, New Mexico.
- CASE 3582: Application of Tenneco Oil Company for two unorthodox gas well locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Blanco-Mesaverde Gas Pool location of its Jicarilla C Well No. 6, located 1780 feet from the North line and 1455 feet from the West line of Section 14, and its Jicarilla C Well No. 4 located 1650 feet from the North and West lines of Section 24, all in Township 26 North, Range 5 West, Rio Arriba County, New Mexico.
- CASE 3583: Application of Stoltz & Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the North Bagley-Lower Pennsylvanian Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.
- CASE 3584: Application of Gulf Oil Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Eddy "BD" State Well No. 1 at an unorthodox location 660 feet from the South line and 990 feet from the East line of Section 32, Township 20 South, Range 30 East, in an undesignated Strawn gas pool, Eddy County, New Mexico.
- CASE 3585: Application of Gulf Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the force-pooling of all mineral interests in the North Bagley-Pennsylvanian Oil Field, SW/4 SE/4 and SE/4 SE/4 of Section 9, Township 11 South, Range 33 East, Lea County, New Mexico, to be dedicated to the Lea State "OE" Well No. 1 to be drilled 660 feet from the South line and 1980 feet from the East line of said Section 9.
- CASE 3586: Application of Morris R. Antweil for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of its Malaga Unit Area comprising 839 acres, more or less, of Federal and Fee lands in Sections 12 and 13, Township 24 South, Range 28 East, and Sections 7 and 18, Township 24 South, Range 29 East, Eddy County, New Mexico.
- CASE 3587: Application of Morris R. Antweil for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Delaware Sand through seven injection wells located in Sections 12 and 13, Township 24 South, Range 28 East, and Section 18, Township 24 South, Range 29 East, Malaga Pool, Eddy County, New Mexico.

- CASE 3588: Application of Pan American Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the unorthodox location in an undesignated Morrow and/or Devonian gas pool for its Poker Lake Unit Federal Well No. 26 at a location 660 feet from the South and East lines of Section 28, Township 24 South, Range 31 East, Eddy County, New Mexico, to be dedicated to a standard unit comprising the S/2 of said Section 28.
- CASE 3589: Application of Claude C. Kennedy for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special pool rules for the Slick Rock-Dakota Oil Pool comprising the S/2 SE/4 of Section 36, Township 30 North, Range 17 West, including a provision for development on 2 1/2 acre spacing with the provision that each 40-acre tract be subject to the Northwest New Mexico normal unit allowable.
- CASE 3590: Application of Texaco Inc. for a pilot waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the Pennsylvanian formation in the interval from 9650 feet to 9800 feet in its State BV Well No. 1 located in Unit E of Section 26, Township 13 South, Range 33 East, Lazy-J Pennsylvanian Pool, Lea County, New Mexico.
- CASE 3591: Application of Anadarko Production Company for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Langlie-Mattix Penrose Sand Unit Waterflood Project by the injection of water into the Penrose Sand through eight additional injection wells located in Sections 20, 28, 29, 32, and 33, all in Township 22 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico.



Docket No. 16-67

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 24, 1967

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

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

*A. Utz*  
CASE 3572: Application of Jones Exploration Company for a dual completion and for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State Well No. 1 located in Unit H of Section 35, Township 17 South, Range 35 East, Vacuum Field, Lea County, New Mexico, in such a manner as to permit the production of Abo Reef oil through the tubing and the disposal of produced salt water down the casing-tubing annulus into the Paddock formation in the perforated interval from 6955 to 6995 feet.

*A. Utz*  
CASE 3573: Application of Aztec Oil & Gas Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the South Corbin Strawn Oil Pool, including a provision for 160-acre proration units and the establishment of a 4000 to one gas-oil ratio limitation.

*Cont to June 6*  
CASE 3574: Application of Cima Capitan, Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formations through one well located in Unit C of Section 3, Township 17 South, Range 32 East, Maljamar Pool, Lea County, New Mexico.

*A. Utz*  
CASE 3575: Application of Harvey E. Yates for a triple completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the triple completion of his Stebbins Deep Federal Well No. 1 located in Unit H of Section 30, Township 20 South, Range 29 East, Eddy County, New Mexico, to produce oil from the Scanlon Delaware Oil Pool through one string of tubing and to selectively produce gas from an undesignated Strawn gas pool and from an undesignated Morrow gas pool through another string of tubing. Selective production of one of the two gas zones at a time would be accomplished by means of a sliding side door and tubing plug.

*A. Utz*  
CASE 3576: Application of Jomar Industries, Inc. for water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, has proposed to drill certain wells in the S/2 NW/4 SE/4 and the N/2 SW/4 SE/4 of Section 30, Township 18 South, Range 38 East, Lea County, New Mexico, for production of oil from the Ogallala formation. Applicant anticipates that fresh water will be produced from the Ogallala formation incidental to the production of said oil and now seeks authority to dispose of said water back into the Ogallala formation through an injection well or wells to be located no nearer than 330 feet to the outer boundaries of the above-described acreage.

*Q. J.*  
CASE 3577: Application of El Paso Natural Gas Company for four non-standard units, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the following non-standard gas proration units in Township 29 North, Range 7 West, Basin-Dakota Gas Pool, Rio Arriba County, New Mexico:

A 327.78-acre non-standard unit comprising the W/2 of Section 6 and the NW/4 of Section 7, to be dedicated to the San Juan 29-7 Unit Well No. 100 located 790 feet from the South line and 950 feet from the West line of said Section 6;

A 345.19-acre non-standard unit comprising the SW/4 of Section 7 and the W/2 of Section 18;

A 361.64-acre non-standard unit comprising the W/2 of Section 19 and the NW/4 of Section 30;

A 375.28-acre non-standard unit comprising the SW/4 of Section 30 and the W/2 of Section 31.

Each of the latter three non-standard units will be dedicated to a well to be drilled at an as yet undetermined standard location on the respective unit.

*9 June 6th*  
CASE 3578: Application of Texas Pacific Oil Company for several non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the dedication and rededication of certain acreage and the establishment of the following non-standard gas proration units in Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico.

*Undertaken*  
A 120-acre non-standard gas proration unit comprising the N/2 NE/4 and the SE/4 NE/4 of Section 7, to be dedicated to the State "A" A/c-2 Well No. 5, located in Unit A of said Section 7, and also to the State "A" A/c-2 Well No. 6 located in Unit B of said Section 7;

A 160-acre non-standard gas proration unit comprising the W/2 W/2 of Section 5, to be dedicated to the State "A" A/c-2 Well No. 41, located in Unit M of said Section 5;

An 80-acre non-standard gas proration unit comprising the E/2 NW/4 Section 5, to be dedicated to the State "A" A/c-2 Well No. 44, located in Unit F of said Section 5;

A 160-acre non-standard gas proration unit comprising the N/2 SE/4 and the E/2 SW/4 Section 5, to be dedicated to the State "A" A/c-2 Well No. 28, located in Unit I of said Section 5;

(Case 3578 continued)

An 80-acre non-standard gas proration unit comprising the S/2 SE/4 of Section 5, to be dedicated to the State "A" A/c-2 Well No. 27, located in Unit P of said Section 5;

A 160-acre non-standard gas proration unit comprising the W/2 SW/4, SE/4 SW/4, and SW/4 SE/4 Section 8, to be dedicated to the State "A" A/c-2 Well No. 54, located in Unit O of said Section 8;

A 160-acre non-standard gas proration unit comprising the S/2 NW/4, NE/4 SW/4, and NW/4 SE/4 of Section 8, to be dedicated to the State "A" A/c-2 Well No. 56, located in Unit J of said Section 8;

An 80-acre non-standard gas proration unit comprising the S/2 NE/4 of Section 8, to be dedicated to the State "A" A/c-2 Well No. 43, located in Unit H of said Section 8;

An 80-acre non-standard gas proration unit comprising the N/2 NW/4 Section 8, to be dedicated to the State "A" A/c-2 Well No. 49, located in Unit C of said Section 8;

A 240-acre non-standard gas proration unit comprising the NE/4 and E/2 NW/4 of Section 9, to be dedicated to the State "A" A/c-2 Well No. 40, located in Unit A of said Section 9;

A 240-acre non-standard gas proration unit comprising the E/2 SE/4 Section 8, and the SW/4 Section 9, to be dedicated to the State "A" A/c-2 Well No. 38, located in Unit K of said Section 9;

A 160-acre non-standard gas proration unit comprising the N/2 NE/4 Section 8, and the W/2 NW/4 of Section 9, to be dedicated to the State "A" A/c-2 Well No. 29, located in Unit D of said Section 9.

CASE 3579:

*June 6th*  
Application of Texas Pacific Oil Company for three dual completions, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State "A" A/c-2 Wells Nos. 28 54, and 29, located in Unit I of Section 5, Unit O of Section 8, and Unit D of Section 9, respectively, Township 22 South, Range 36 East, Lea County, New Mexico, in such a manner as to produce gas from the Jalmat Gas Pool and oil from the South Eunice Oil Pool.

CASE 3580:

*W. J. T.*  
Application of Sunray DX Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg formation through one well located in Unit C of Section 17, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Eddy County, New Mexico.

*est.*  
CASE 3581: Application of Sunray DX Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation from 4248 feet to 4286 feet in its Harris State Well No. 5 located in Unit I of Section 23, Township 10 South, Range 32 East, Mescalero-San Andres Pool, Lea County, New Mexico.

*Q. J.*  
CASE 3582: Application of Tenneco Oil Company for two unorthodox gas well locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Blanco-Mesaverde Gas Pool location of its Jicarilla C Well No. 6, located 1780 feet from the North line and 1455 feet from the West line of Section 14, and its Jicarilla C Well No. 4 located 1650 feet from the North and West lines of Section 24, all in Township 26 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 3583: Application of Stoltz & Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the North Bagley-Lower Pennsylvanian Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.

*Cont  
& read  
June 6th*  
CASE 3584: Application of Gulf Oil Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Eddy "BD" State Well No. 1 at an unorthodox location 660 feet from the South line and 990 feet from the East line of Section 32, Township 20 South, Range 30 East, in an undesignated Strawn gas pool, Eddy County, New Mexico.

*Dismiss*  
CASE 3585: Application of Gulf Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the force-pooling of all mineral interests in the North Bagley-Pennsylvanian Oil Field, SW/4 SE/4 and SE/4 SE/4 of Section 9, Township 11 South, Range 33 East, Lea County, New Mexico, to be dedicated to the Lea State "OE" Well No. 1 to be drilled 660 feet from the South line and 1980 feet from the East line of said Section 9.

*Q. J.*  
CASE 3586: Application of Morris R. Antweil for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of its Malaga Unit Area comprising 839 acres, more or less, of Federal and Fee lands in Sections 12 and 13, Township 24 South, Range 28 East, and Sections 7 and 18, Township 24 South, Range 29 East, Eddy County, New Mexico.

*Q. J.*  
CASE 3587: Application of Morris R. Antweil for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Delaware Sand through seven injection wells located in Sections 12 and 13, Township 24 South, Range 28 East, and Section 18, Township 24 South, Range 29 East, Malaga Pool, Eddy County, New Mexico.

- CASE 3588: Application of Pan American Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the unorthodox location in an undesignated Morrow and/or Devonian gas pool for its Poker Lake Unit Federal Well No. 26 at a location 660 feet from the South and East lines of Section 28, Township 24 South, Range 31 East, Eddy County, New Mexico, to be dedicated to a standard unit comprising the S/2 of said Section 28.
- CASE 3589: Application of Claude C. Kennedy for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special pool rules for the Slick Rock-Dakota Oil Pool comprising the S/2 SE/4 of Section 36, Township 30 North, Range 17 West, including a provision for development on 2 1/2 acre spacing with the provision that each 40-acre tract be subject to the Northwest New Mexico normal unit allowable.
- CASE 3590: Application of Texaco Inc. for a pilot waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the Pennsylvanian formation in the interval from 9650 feet to 9800 feet in its State BV Well No. 1 located in Unit E of Section 26, Township 13 South, Range 33 East, Lazy-J Pennsylvanian Pool, Lea County, New Mexico.
- CASE 3591: Application of Anadarko Production Company for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Langlie-Mattix Penrose Sand Unit Waterflood Project by the injection of water into the Penrose Sand through eight additional injection wells located in Sections 20, 28, 29, 32, and 33, all in Township 22 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico.

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
May 24, 1967

EXAMINER HEARING

IN THE MATTER OF: )

Application of Pan American )  
Petroleum Corporation for an )  
unorthodox gas well location, )  
Eddy County, New Mexico. )

CASE NUMBER  
3588

BEFORE:

ELVIS A. UTZ, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 3588.

MR. HATCH: Case 3588, Application of Pan American Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico.

MR. BUELL: For Pan American Petroleum Corporation, Guy Buell. We have one witness, Mr. Ford.

(Witness sworn.)

MR. BUELL: I have one thing I might point out to both the Examiner and the Commission's General Counsel at the outset. The well that is the subject matter of this Hearing was advertised as Well Number 26. The truth, in fact, is that it is actually Well Number 36. However, the advertisement very correctly and previshly locates it. The only offset operator that knows of this well has furnished waivers. It would certainly be my recommendation to the Commission that, in my opinion, this is a completely harmless era and I would not recommend that they go to the expense and bother to readvertise the case.

GEORGE H. FORD

called as a witness on behalf of the applicant, first having been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. BUELL:

Q Mr. Ford, would you state your complete name, by

whom you are employed, in what capacity and at that location, please?

A George H. Ford, staff engineer for Pan American Petroleum Corporation, Fort Worth, Texas.

Q Mr. Ford, have you testified at previous Commission Hearings and are your qualifications as a petroleum engineer a matter of public record?

A Yes, sir, I have.

MR. BUELL: Are his qualifications accepted, Mr. Examiner?

MR. UTZ: Yes, sir.

(Whereupon, Applicant's Exhibit Number 1 was marked for identification.)

Q (By Mr. Buell) Now, in connection with your testimony here today, Mr. Ford, would you look first at what has been identified as Pan American's Exhibit Number 1? What is that exhibit?

A Exhibit 1 is a map of the Pan American Poker Lake unit area. I have shown on this exhibit Pan American's Poker Lake Number 36 as a drilling well incomplete at the present time. It is in the central portion of Exhibit 1. It is included in an area outlined by a wavy line.

Q What is the significance of that wavy line around the well, Mr. Ford?

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A This wavy line covers nine quarter sections, a total of 1440 acres out of a much larger Poker Lake unit that is operated by Perry R. Bass. When Pan American completes Number 36 as a commercial producer, they will earn 100 per cent working interest in the 1440 acres until payout of the well.

Q What happens when the well is paid out?

A Pan American's interest drops to four-ninths.

Q All right, sir, is there any other data that would be a matter of interest to the Commission in this case shown on Exhibit 1?

A Yes, sir. I have shown the Texaco's Cotton Draw Unit to the east and south of the Pan American Poker Lake Unit. There are some deep wells drilling there that might be of interest to the Commission.

Q Why don't you briefly mention the deep wells in the Cotton Draw Unit that you think would be of benefit to this record?

A All right, sir. The Texaco Cotton Draw Unit Number 66 in Section 10, Township 25 South, Range 32 East, just above the title block, is drilling at below 14,000 feet. Then, going over to the west in Section 18, same township and range, is Texaco's Cotton Draw Unit Number 64. Now, this well was completed as an excellent Devonian Well. I understand now, though, that the well is falling off and has started making salt

water.

Now, moving back to the northwest towards Pan American's Poker Lake Number 36, we find Texaco's Cotton Draw Unit Number 65 in Section 2, Township 25 South, Range 31 East. This well was dry after completion attempts in both the Devonian and the Ellenburger. My information now is that they are considering a morrow completion attempt in this well.

Q All right, sir, let's go back to our Well Number 36, the subject well of this Hearing. It might be well for the Examiner and the record if you would give a brief history of this well.

A All right, sir. Pan American's Federal Number 36 was projected as a Mississippian oil wildcat test down to, I believe, 16,200 feet. Its location, 660 feet from two section lines, is regular for an oil well, but we found when we drilled the well that the Mississippian was unproductive. The Devonian information we had indicated that we had possibilities there so it was deepened to the Devonian to a total depth of 16,660 feet. The Devonian was tested and we actually made a completion and had a potential test in the Devonian.

Q What happened shortly after the well was completed in the Devonian?

A Well, first, it looked like a good Devonian well, like the Texaco's Cotton Draw Unit Number 64, but it fell off very

shortly after completion and started making 100 per cent water and ceased to flow.

Q At any time did Pan American give any consideration to taking Well 36 on down to the Ellenburger?

A Yes, sir, we did. The Texaco's Cotton Draw Unit Number 65 was very critical in this consideration. Of course, we have abandoned the idea of taking it to the Ellenburger since completion attempt in Texaco's Cotton Draw Unit Number 65 failed.

Q What are the present plans with regard to Well Number 36?

A Well, we actually have a service unit on the well now, or coming back up the hole, and plan to make a completion attempt in the morrow at somewhere around 15,000 feet.

Q And, of course, this location, 660 from the south and east lines of the section would be irregular as a morrow gas well?

A Yes, sir, it would.

(Whereupon, Applicant's Exhibit Number 2 was marked for identification.)

Q All right, sir. Look now at what has been identified as our Exhibit Number 2. What is that exhibit?

A Exhibit 2 is a gamma ray sonic log on Pan American's Poker Lake Unit Number 36 from very close to the

surface down to the total depth of the well.

Q Would you briefly comment on what you think are some of the important provisions on that log?

A All right. I thought the entire log would be of benefit in the Commission's files. I have shown the top of the Pennsylvanian. This is where the location change comes in, the top of the Pennsylvanian at 13,642 feet. I have shown other formation tops below that, including the top of the morrow at 14,430 feet and you remember I mentioned we would try a completion at about 15,000 feet.

Q All right, sir. Do you have any other comments on Exhibit 2, the log of the subject well?

A No, sir.

(Whereupon, Applicant's Exhibit Number 3 was marked for identification.)

Q Would you look now at Exhibit 3? What is that exhibit, Mr. Ford?

A Exhibit 3 is a map of the immediate area of Well Number 36. It shows the location of Well 36. It shows the 320 acre proration unit for this well being the south half of Number 28. I believe on your copy of the exhibit it is outlined in red, so it would show up.

Q What does both Exhibit 1 and Exhibit 3 show with respect to any other offset operators to our proposed 320

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proration unit?

A It shows that the only offset operator is Perry R. Bass.

Q I believe that Perry Bass has already furnished the Commission a waiver of any objections to the approval of an unorthodox location for our well, is that correct?

A Yes, sir, that was furnished to the Commission and I am confident that it is in their files.

MR. BUELL: If it isn't, Mr. Examiner, we can get you another copy. I believe you have it.

MR. UTZ: Yes.

Q (By Mr. Buell) Now, Pan American's request here today is for approval of the unorthodox location of Well Number 36 as an undesignated morrow gas pool?

A Yes, that's correct.

Q In your opinion, will the approval of this request protect the correlative rights of all the owners of interest in this area?

A Yes, sir.

Q Do you have anything else that you would care to add, Mr. Ford?

A No, sir, I don't.

MR. BUELL: That concludes our testimony, Mr. Examiner. I would like to formally offer Pan American's

Exhibits 1 through 3, inclusive.

MR. UTZ: Without objection, Exhibits 1 through 3 will be entered into the record of this case.

(Whereupon, Applicant's Exhibit Numbers 1, 2 and 3 were admitted into evidence.)

MR. HATCH: This is asking only for the morrow?

MR. BUELL: Yes, sir.

MR. UTZ: This is an undesignated morrow pool?

MR. BUELL: Yes, sir, it will be.

MR. UTZ: Do you have any recommendations for designation?

MR. BUELL: The Poker Lake morrow, Mr. Examiner, would be a very appropriate title.

MR. UTZ: Any other questions? The witness may be excused.

(Witness excused.)

MR. UTZ: Any further statements? The case will be taken under advisement.

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STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss

I, JERRY POTTS, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached transcript of hearing was reported by me in stenotype and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

*Jerry Potts*  
NOTARY PUBLIC

My Commission Expires:

July 10, 1970

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the above entitled hearing of Case No. 3588  
heard by me on May 24, 1967.

*Thurston*  
New Mexico Oil Conservation Commissioner

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PERRY R. BASS, INC.  
"Poker Lake Unit"

PAN AMERICAN PETR.  
CORPORATION  
"Poker Lake Unit"

28

320 ACRES

36

27

TEXACO, INC.  
"Cotton Draw Unit"

T  
24  
S

26

BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

PAN AM EXHIBIT NO. 3

CASE NO. 3588

(5-24-67)

32

33

34

R-31-E

Pan Am. Petr. Corp.,  
WELL LOCATION &  
ACREAGE DED. MAP  
Eddy Co., N.M.  
1" = 2000'