

Continued August 16, 1963

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. 2854
Order No. R-2529

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 10, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, 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 30th day of July, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Pan American Petroleum Corporation, seeks authority to complete its SMU Well No. 15 to be located 660 feet from the North line and 660 feet from the East line of Section 22, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Fowler-Blinbry and Fowler-Ellenburger Pools through parallel strings of 2 3/8-inch tubing, with separation of zones by a packer set at approximately 6200 feet.

(3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(4) That approval of the proposed dual completion will prevent waste and protect correlative rights.

(5) That the applicant also seeks approval of an unorthodox oil well location in the Fowler-Ellenburger Pool for its SMU Well

No. 15 to be located 660 feet from the North line and 660 feet from the East line of Section 22, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(6) That the NE/4 NE/4 and E/2 NW/4 NE/4 of Section 22, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, can reasonably be presumed to be productive of oil from the Fowler-Ellenburger Pool; that the W/2 NW/4 NE/4 of said Section 22 cannot reasonably be presumed to be productive of oil from the Fowler-Ellenburger Pool; and that approval of the subject application will impair correlative rights if more than a 60-acre allowable is assigned to the subject well.

(7) That in order to prevent waste and protect correlative rights, the proposed non-standard location should be approved, provided the applicant dedicates only the NE/4 NE/4 and E/2 NW/4 NE/4 of Section 22, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, to the subject well.

IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby authorized to complete its SMU Well No. 15, to be located 660 feet from the North line and 660 feet from the East line of Section 22, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Fowler-Blinbry and Fowler-Ellenburger Pools through parallel strings of 2 3/8-inch tubing, with separation of zones by a packer set at approximately 6200 feet.

PROVIDED HOWEVER, That the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order.

PROVIDED FURTHER, That the applicant shall take packer-leakage tests upon completion and annually thereafter during the Gas-Oil Ratio Test Period for the Fowler-Ellenburger Pool.

(2) That a non-standard location in the Fowler-Ellenburger Pool, 660 feet from the North line and 660 feet from the East line of Section 22, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby approved for the Pan American Petroleum Corporation SMU Well No. 15; provided, however, that only the NE/4 NE/4 and E/2 NW/4 NE/4 of Section 22, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, shall be dedicated to the subject well and said well shall receive an acreage factor for allowable purposes of 0.75.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-

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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



JACK M. CAMPBELL, Chairman



E. S. WALKER, Member



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

S E A L

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