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. 3630
Order No. R-3296

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR SPECIAL POOL RULES, SAN
JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 9, 1967, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this___15th___day of August, 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 the establishment of special rules and regulations for the Hogback-Dakota Pool, San Juan County, New Mexico, to permit the drilling of wells as near as 165 feet to the outer boundary of the quarter-quarter section, and as near as 300 feet to another well producing from the same formation.

(3)   That adoption of the proposed special rules and regulations will prevent waste and protect correlative rights, provided a 40-acre proration unit does not receive more than a 40-acre top unit allowable for wells in the 0-5000 foot depth in Northwest New Mexico, regardless of the number of wells on the 40-acre unit.

IT IS THEREFORE ORDERED:

That Special Rules and Regulations for the Hogback-Dakota Pool, San Juan County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
HOGBACK-DAKOTA POOL

RULE 1. Each well completed or recompleted in the Hogback-Dakota Pool or in the Dakota formation within one mile thereof, and not nearer to or within the limits of another designated Dakota oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located no nearer than 165 feet to the outer boundary of the quarter-quarter section on which it is located and no nearer than 300 feet to any other well producing from the same pool.

RULE 3. The Secretary-Director of the Commission shall have authority to grant exceptions to Rule 2 without notice and hearing where an application therefor has been filed in due form and the necessity for the exception is based on topographical conditions.

All operators owning acreage within 330 feet of the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators owning acreage within 330 feet of the proposed location or if no such operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 4. A 40-acre proration unit shall not produce in excess of the 40-acre top unit allowable for wells in the 0-5000 foot depth range in Northwest New Mexico, regardless of the number of wells on the unit.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Hogback-Dakota Pool or in the Dakota formation

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within one mile thereof are hereby approved; that the operator of
any well having an unorthodox location shall notify the Aztec
District Office of the Commission in writing of the name and
location of the well on or before September 1, 1967.

(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
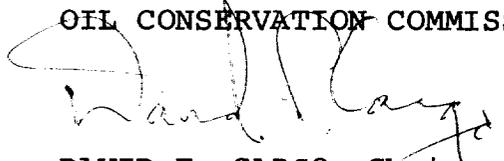
DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

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

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