

Entered October 15, 1968
R.P.

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. 3875
Order No. R-3521

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 9, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 15th day of October, 1968, 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 authority to drill its South Mattix Unit Well No. 25 at an unorthodox location in the Fowler-Ellenburger Pool 910 feet from the North line and 1980 feet from the West line of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to dedicate the N/2 NW/4 of said Section 15 to the proposed well and to its South Mattix Unit Well No. 7 located 660 feet from the North line and 660 feet from the West line of said Section 15, and to produce any proportion of the 80-acre allowable from either well at the applicant's discretion.
- (4) That said Well No. 7, a marginal well, is experiencing water encroachment from the northwest.
- (5) That it is probable that a well drilled at the proposed location will avoid the water problem being experienced by the aforesaid Well No. 7.

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(6) That approval of the unorthodox location should result in more efficient drainage of the N/2 NW/4 of said Section 15, thereby preventing waste.

(7) That to prevent waste and to protect correlative rights, the applicant should be required to produce its South Mattix Unit Well No. 7 at its maximum efficient capacity until said well reaches the economic limit of production.

IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby authorized to drill its South Mattix Unit Well No. 25 at an unorthodox location in the Fowler-Ellenburger Pool 910 feet from the North line and 1980 feet from the West line of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico;

PROVIDED HOWEVER, that the N/2 NW/4 of said Section 15 shall be dedicated to the applicant's South Mattix Unit Well No. 25 and to the South Mattix Unit Well No. 7 located 660 feet from the North line and 660 feet from the West line of said Section 15.

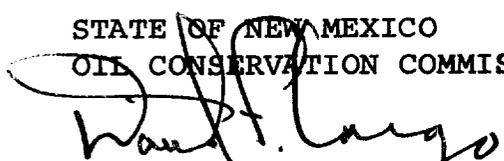
(2) That the applicant is hereby authorized to produce the 80-acre allowable assigned to the N/2 NW/4 of said Section 15 from either well;

PROVIDED HOWEVER, that the applicant's South Mattix Unit Well No. 7 shall be produced at its maximum efficient capacity until it reaches the economic limit of production, and that the applicant shall not shut in or abandon said well until a statement establishing that the well has reached the economic limit of production has been submitted to and approved by the Secretary-Director of the Commission.

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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

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