Entre guly 7,1970 ALP

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. 4355 Order No. R-3988 NOMENCLATURE

APPLICATION OF PAN AMERICAN PETROLEUM CORPORATION FOR POOL CONSOLIDATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 13, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>7th</u> day of July, 1970, 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 consolidation of the North Bagley-Upper Pennsylvanian Pool and the North Bagley-Lower Pennsylvanian Pool, Lea County, New Mexico, into a single pool to be spaced, drilled, operated, and produced in accordance with the existing rules for the North Bagley-Lower Pennsylvanian Pool.

(3) That the reservoir information presently available establishes that the North Bagley-Upper Pennsylvanian and the North Bagley-Lower Pennsylvanian Pools constitute a common source of supply. -2-CASE No. 4355 Order No. R-3988

(4) That in order to prevent waste and protect correlative rights, the North Bagley-Upper Pennsylvanian Pool and the North Bagley-Lower Pennsylvanian Pool should be abolished, and a new pool designated the North Bagley-Pennsylvanian Pool should be created.

(5) That said newly created North Bagley-Pennsylvanian Pool should be governed by all previous rules, regulations, and orders of the Commission applicable to the aforesaid North Bagley-Lower Pennsylvanian Pool.

IT IS THEREFORE ORDERED:

(1) That the North Bagley-Upper Pennsylvanian Pool, as heretofore classified, defined, and described, is hereby abolished.

(2) That the North Bagley-Lower Pennsylvanian Pool, as heretofore classified, defined, and described, is hereby abolished.

(3) That a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production, is hereby created and designated the North Bagley-Pennsylvanian Pool with vertical limits comprising the Pennsylvanian formation and horizontal limits as follows:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 2: SW/4
Section 3: S/2
Section 4: SE/4 and S/2 SW/4
Section 5: S/2 SE/4
Section 7: S/2
Sections 8, 9, and 10: All
Section 11: W/2
Section 14: W/2
Sections 15, 16, 17, and 18: All
Section 19: E/2
Sections 20, 21, and 22: All
Section 23: W/2
Sections 27, 28, 29, and 30: All
Section 31: $N/2$ and $SE/4$
Sections 32 and 33: All
TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
Section 4: $N/2$ and $SW/4$
Section 5: NE/4
Section 9: W/2

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(4) That the North Bagley-Pennsylvanian Pool as herein created and defined and as may be hereafter extended shall be governed by all previous rules, regulations, and orders of the Commission applicable to the North Bagley-Lower Pennsylvanian Pool.

(5) That this order shall become effective July 15, 1970.

(6) 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 PORTER, Jr., Member

Secretary

SEAL

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