

DAVIS, GRAHAM & STUBBS
(LEWIS, GRANT & DAVIS)
ATTORNEYS AND COUNSELLORS AT LAW
AMERICAN NATIONAL BANK BUILDING
DENVER, COLORADO 80202

File

RICHARD M. DAVIS
DONALD S. GRAHAM
DONALD S. STUBBS
HOWARD W. REA
ROBERT H. HARRY
CLYDE O. MARTZ
GEORGE M. HOPFENBECK, JR.
ROBERT L. SHANSTROM

LESTER R. WOODWARD
DONALD J. O'CONNOR
GEORGE E. LOHR
WALTER B. ASH
W. DAVID SLAWSON
ROBERT M. JEFFERS
WILLIAM E. MEYERS

HUGH J. MCCLEARN
THOMAS S. NICHOLS
WILLIAM S. HUFF

L. RICHARD FREESE, JR.
DALE R. HARRIS
JON N. HALVERSON

255-5475
AREA CODE 303

ROBERT L. STEARNS
COUNSEL

June 1, 1964

Oil Conservation Commission
of the State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. Daniel S. Nutter, Chief Engineer

Gentlemen:

Thank you for furnishing us photostatic copies of Applicant's Exhibits 12 and 13 in Case 3029, which were transmitted by Mr. Nutter's letter of May 28, 1964.

Enclosed is our check in the amount of \$1.00 in payment for these documents.

Very truly yours,

George E. Lohr
for

DAVIS, GRAHAM & STUBBS

GEL:ag
Enc.

ATWOOD & MALONE
LAWYERS

JEFF D. ATWOOD (1883-1960)
ROSS L. MALONE
CHARLES F. MALONE
RUSSELL D. MANN
PAUL A. COOTER
BOB F. TURNER
ROBERT A. JOHNSON

P. O. DRAWER 700
TELEPHONE 505 622-6221
SECURITY NATIONAL BANK BUILDING
ROSWELL, NEW MEXICO
88201

May 26, 1964

*Case
File*

11-11-64
1964 MAY 27 PM 1 15
MAIL OFFICE 000

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

Re: Case No. 3029

Dear Mr. Porter:

I thank you for your letter of May 25, stating that findings in this matter would be received by the Commission on August 3, 1964.

Your consideration in this matter is appreciated.

Very truly yours,

ATWOOD & MALONE

By: *Charles F. Malone*

CFM:d
cc: J. K. Smith, Esquire
W. W. Heard, Esquire

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

May 25, 1964

Mr. Charles F. Malone
Atwood & Malone
Attorneys at Law
Post Office Drawer 700
Roswell, New Mexico

Dear Mr. Malone:

Since talking with you last week in regard to Case No. 3029, I have contacted Governor Campbell and Commissioner Walker and it is agreeable with the Commission for the date for submitting findings to be extended to Monday, August 3, 1964.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

cc: Mr. Roy Blackman
Mr. J. K. Smith
Mr. W. W. Heard

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ATWOOD & MALONE

LAWYERS

MAY 1 11 05

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TELEPHONE 505 622-6221
SECURITY NATIONAL BANK BUILDING
ROSWELL, NEW MEXICO
88201

May 21, 1964

Mr. A. L. Porter, Jr., Director
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Case No. 3029

Dear Mr. Porter:

Thank you for your letter of May 14, 1964, stating the decision of the Commission in this matter, and directing that Requested Findings be submitted by June 5, 1964.

The writer has discussed the date for Requested Findings with Mr. Roy Blackman of Potash Company of America, and it has been agreed between Mr. Blackman, for his client, and the writer, for Pan American Petroleum Corporation, that the parties will respectfully request the Commission to extend the date for submitting findings to Monday, August 3, 1964.

This request by the parties is made necessary by the fact that Ross Malone of this firm is required, by having presented the matter to the Commission, to draft Requested Findings, and is outside the country on an extended trip. Mr. Blackman will be married in the near future, and contemplates a wedding trip of some duration.

The parties to this case therefore respectfully request that the time for submitting Requested Findings be extended to August 3, 1964.

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Mr. Porter
May 21, 1964

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MAY 21 PM 1 00

Thank you for your kind attention and with regards, we are,

Very truly yours,

ATWOOD & MALONE

CFM/mm

BY: 

CC: Roy Blackman, Esquire
J.K. Smith, Esquire
W.W. Heard, Esquire

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

May 14, 1964

Mr. Ross Malone
Atwood & Malone
Attorneys at Law
Post Office Box 700
Roswell, New Mexico

Mr. Roy Blackman
Potash Company of America
Post Office Box 31
Carlsbad, New Mexico

Re: CASE 3029

Gentlemen:

On May 13, 1964, the Commission reached a decision in the above case. The application of Pan American Petroleum Corporation for permission to drill in the Potash-Oil Area, Eddy County, New Mexico, will be denied. Please submit requested findings by June 5, 1964.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

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Y

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF CON-
SIDERING:

CASE No. 3029
Order No. R-2772

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR PERMISSION TO DRILL
WITHIN THE POTASH-OIL AREA AS DEFINED
BY COMMISSION ORDER NO. R-111-A, AS
AMENDED, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 A.M. on April 15, 1964, at Santa Fe, New Mexico, before a quorum of the Oil Conservation Commission of the State of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 25th day of September, 1964, the Commission, a quorum being present, having considered the application and the alternative application, the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

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

(2) That the applicant proposes to drill an oil well 660 feet from the South line and 660 feet from the East line of Section 17, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico, or at an alternative location anywhere within a circle of 100 feet radius around an existing oil well, Barber No. 4-A, located 1639.2 feet from the South line and 2304.5 feet from the East line of said Section 17.

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CASE No. 3029
Order No. R-2772

(3) That each of the proposed locations is within the Barber-Yates Oil Pool in Eddy County, New Mexico, and within the Potash-Oil Area as defined by Commission Order No. R-111-A, as amended.

(4) That there are nine wells currently producing in the Barber-Yates Oil Pool; that these wells are producing from an approximate depth of 1500 to 1600 feet.

(5) That the applicant proposes to drill the subject well to an approximate depth of 12,600 feet, or deeper, to test the Strawn, Morrow, and Devonian formations.

(6) That Potash Company of America operates a mine in Eddy County, New Mexico, which consists of between 12,000 and 13,000 acres of potash reserves and open mine workings; that said open mine workings consist of interconnected rooms and tunnels totaling about 825 miles in length, averaging 5 feet in height and 32 feet in width.

(7) That the proposed well in either proposed location would pass through unmined potash reserves at a depth of 700 feet from the surface which average 4.13 feet in thickness and have an average grade of 24.4% K_2O .

(8) That the alternate location of the applicant's proposed well is within a 100 foot radius of the Barber Well No. 4-A which is located approximately 1500 feet from the present open mine area of said mine, the easterly boundary of which open mine workings passes through the SW/4, the NW/4 and the NE/4 of Section 17, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico.

(9) That potash mining operations are conducted by Potash Company of America by the room and pillar method, extracting about 65% of the potash deposit on primary mining and leaving about 35% in pillars supporting the overburden; that about 25% of the original potash deposit can be removed on secondary mining and that subsidence of the overburden and subsurface disturbance can be expected to result from secondary mining.

(10) That as a reasonable safety measure, Potash Company of America will not conduct potash mining operations within a radius of 100 feet of a shallow oil well or within a radius of 200 feet of a high pressure gas or oil and gas well, as to primary mining,

CASE No. 3029

Order No. R-2772

or within a radius equal to the depth of the potash deposit, as to secondary mining.

(11) That the applicant has not established that the proposed well could be cased and cemented in a manner that would withstand the subsidence experienced in normal potash mining operations; that damaged casing will ultimately result in waste of oil or gas; and that no waste of oil or gas will occur from subsidence if drilling is postponed until the potash has been removed and subsidence is substantially complete.

(12) That the drilling of a well at either of the proposed locations at this time would create a hazard to human life as the applicant has not established that such well could be cased and cemented in a manner that would withstand the subsidence experienced in normal potash mining operations and prevent natural gas from escaping into the open mine workings; that if drilling is postponed until the potash has been removed and subsidence is substantially complete, the proposed well can be drilled without hazard to human life.

(13) That the drilling of an oil well at either of the proposed locations at this time would result in undue waste of potash deposits and unduly interfere with the orderly development of potash deposits in the area contrary to the provisions of Commission Order No. R-111-A; that if drilling is postponed until the potash has been removed, there will be no waste of potash.

(14) That postponing the drilling of exploratory wells in the Potash-Oil Area, as defined by Commission Order No. R-111-A, until the potash in said area has been removed and subsidence is substantially complete will, so far as it is practicable to do so, afford to the owner of each property in any pool underlying said area the opportunity to produce without waste his just and equitable share of the oil and gas in such pool.

(15) That the subject application should be denied.

IT IS THEREFORE ORDERED:

(1) That the application of Pan American Petroleum Corporation for authority to drill a well at either of the proposed locations in the SE/4 of Section 17, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico, is hereby denied.

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CASE No. 3029

Order No. R-2772

(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

Jack M Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

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



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE No. 3029
Order No. R-2772-A

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR PERMISSION TO DRILL
WITHIN THE POTASH-OIL AREA AS DEFINED
BY COMMISSION ORDER NO. R-111-A, AS
AMENDED, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause having come on for reconsideration upon Application for Rehearing filed by Pan American Petroleum Corporation,

NOW, on this 21st day of October, 1964, the Oil Conservation Commission, a quorum being present, having considered the Application for Rehearing,

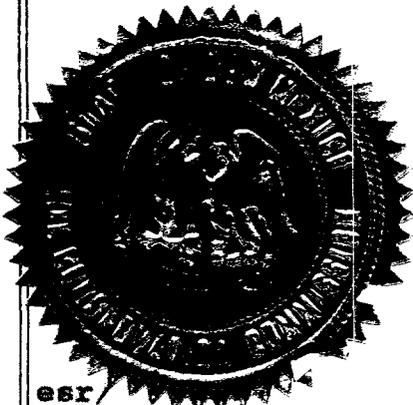
FINDS:

- (1) That the Application for Rehearing does not allege that the applicant for rehearing has new or additional evidence to present in this case.
- (2) That the Commission has carefully considered the evidence presented in this case and is fully advised in the premises.
- (3) That the Application for Rehearing should be denied.

IT IS THEREFORE ORDERED:

That the Application of Pan American Petroleum Corporation for Rehearing in Case No. 3029, Order No. R-2772, is hereby denied.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

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