

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 27, 1963

Van American Petroleum Corporation
P. O. Box 268
Lubbock, Texas

Attention: Mr. Neil S. Whitmore

Re: 1963 Plan of Development
Greenwood Pre-Grayburg Unit,
Lea and Eddy Counties,
New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1963 Plan of Development for the Greenwood Pre-Grayburg Unit, Lea and Eddy Counties, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the plan are returned herewith.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JEK/ig

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico



LAND OFFICE DEPT

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

1963 MAR 14 PM 1 23 Drawer 1857
Roswell, New Mexico

March 12, 1963

Pan American Petroleum Corporation
P. O. Box 268
Lubbock, Texas

Attention: Mr. Neil S. Whitmore

Gentlemen:

Your 1963 plan of development dated January 15, 1963, for the Greenwood Pre-Grayburg unit area, Lea and Eddy Counties, New Mexico, proposing the drilling of no additional wells, has been approved on this date subject to like approval by the New Mexico Oil Conservation Commission. By letter of February 26, the Commissioner of Public Lands advised you the State of New Mexico was taking no action on the 1963 plan of development since all state acreage has been eliminated from the unit.

Three approved copies of the plan are enclosed.

Very truly yours,

(Orig. Sgd.) John A. Anderson

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

Copy to: Washington (w/cy of plan)
Artesia (w/cy of plan)
NMOCC, Santa Fe (ltr. only) ✓
Com. of Pub. Lands (ltr. only)

February 26, 1963

Pan American Petroleum Corporation
P. O. Box 268
Lubbock, Texas

Re: 1963 Plan of Development,
Greenwood Pre-Grayburg Unit,
Lea and Eddy Counties,
New Mexico

Attention: Mr. Neal S. Whitmore

Gentlemen:

We received three copies of your 1963 Plan of Development dated January 15, 1963, for the Greenwood Pre-Grayburg Unit Area, Lea and Eddy Counties, New Mexico.

Due to the elimination of acreage from the Unit in January, 1963, the State no longer has any state land within the Unit Area, therefore we have taken no action on this Plan of Development.

Very truly yours,

E. B. Johnny Walker
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Rhea
Supervisor, Unit Division

ESW/mmr/e United States Geological Survey
encl; Roswell, New Mexico
cc: Oil Conservation Commission
Santa Fe, New Mexico

1963 FEB 6 PM 4:47

161

February 6, 1963

Pan American Petroleum Corporation
P. O. Box 268
Lubbock, Texas

Re: Greenwood Pre-Grayburg
Eddy and Lea Counties,
New Mexico

Attention: Mr. John H. Thompson

Gentlemen:

This office acknowledges receipt of your letter dated January 22, 1963 giving notice and describing lands which are automatically eliminated from the Greenwood Pre-Grayburg Unit Area, as provided for under Section 2 of the Unit Agreement.

The elimination of all acreage not within a participating area is satisfactory to the Land Commissioner.

The effective date of such elimination to be January 7, 1963.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mar/e
cc:

United States Geological Survey
Roswell, New Mexico

Oil Conservation Commission
Santa Fe, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

961

January 17, 1963

Pan American Petroleum Corporation
P. O. Box 268
Lubbock, Texas

Attention: Mr. Neil S. Whitmore

Re: Initial Bone Springs
Participating Area
Greenwood Pre-Grayburg
Unit, Eddy County,
New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Initial Bone Springs Participating Area for the Greenwood Pre-Grayburg Unit, Eddy County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the request for approval are returned herewith.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

AL
cc TEK/ig
Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Oswell, New Mexico

PANAMERICAN PETROLEUM CORPORATION

MAIN OFFICE
1963 JAN 13 AM 8:14

P. O. Box 268
Lubbock, Texas
January 15, 1963

File: WJS-3032-416

Subject: Plan of Development for 1963
Greenwood Pre-Grayburg Unit
Lea and Eddy Counties, New Mexico

Director (6)
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission of
New Mexico (3)
P. O. Box 871
Santa Fe, New Mexico

All Committed Working Interest
Owners in Unit Area
(See Attached Addressee List)

Gentlemen:

In compliance with Section 10 of the Greenwood Pre-Grayburg Unit Agreement dated August 26, 1955 and approved by the Survey on April 23, 1956, Pan American Petroleum Corporation, as Unit Operator, on behalf of itself and the other working interest owners, hereby submits for your approval a Plan of Development for 1963.

History of Past Development - Well No. 1, located in the SE/4 of Section 27, T-18-S, R-31-E, is completed in the Siluro-Devonian Formation. The First Enlargement of the Siluro-Devonian Participating Area was approved February 15, 1960, and became effective July 1, 1958. The Siluro-Devonian Participating Area now comprises the W/2 of Section 26, the E/2 of Section 27, the NE/4 of Section 34, and the NW/4 of Section 35, all land being in T-18-S, R-31-E, comprising a total of 960 acres.

Well No. 2 was completed in the Pennsylvanian Formation at a location in the SW/4 of the NE/4 of Section 34, T-18-S, R-31-E and a Pennsylvanian Participating Area comprising 1440 acres has been approved.

Well No. 3 was completed as a Siluro-Devonian gas well on July 28, 1958, at a location in the SE/4 of the NE/4 of Section 27, T-18-S, R-31-E. Dual completion of this well as a Wolfcamp (oil) - Siluro-Devonian (gas) well was attempted during early 1961; however, a bridging tool was lost in the hole at a depth of 10,214 feet above the Siluro-Devonian perforations. Due to the anticipated expense to recover this tool, the Siluro-Devonian was temporarily abandoned and the well was subsequently completed as a dual Wolfcamp (oil) - Bone Springs (oil) well on April 6, 1961. Non-commercial status for the Wolfcamp was approved by the Director of the United States

Geological Survey on November 21, 1962, and a Participating Area for the Bone Springs will be submitted in the immediate future.

Well No. 4, located in the NW/4 of the NW/4 of Section 27, T-18-S, R-31-E, was completed in the Cherry Canyon Formation of the Delaware Mountain Group on January 30, 1959. An Initial Participating Area for the Delaware Formation comprising 40 acres in the NW/4 of the NW/4 of Section 27, T-18-S, R-31-E, has been approved effective January 30, 1959.

Well No. 5, located in the SE/4 NW/4 of Section 27, was dry and abandoned in the Cherry Canyon Formation in July, 1959.

Continental Oil Company completed during 1960 a well, located in the SW/4 of the SE/4 of Section 26, T-18-S, R-31-E, as a non-commercial gas well in the Pennsylvanian Formation. This well was drilled under the provisions of Section 13 of the Unit Agreement.

Well No. 7, located 1980' from the north line and 660' from the east line of Section 2, T-19-S, R-31-E, was recently drilled to a total depth of 12,794 feet and has been triple completed in the Lusk Strawn (oil) - Undesignated Wolfcamp (oil) and Undesignated Bone Spring (oil) pools. Participating areas have not yet been established for Greenwood Unit No. 7 for these reservoirs. After producing a short period of time, all zones in this well commenced making a large volume of water and a workover attempt was unsuccessful. Approval for non-commercial classification for the Bone Springs and Strawn was given by the Director of the United States Geological Survey on January 7, 1963. The Wolfcamp Formation is temporarily abandoned.

Well No. 8 was commenced in July, 1962 at a location 660' FSL and 660' FWL, Section 7, T-19-S, R-32-E, Lea County, New Mexico, and drilled to a total depth of 12,657' in the Mississippian. As all prospective horizons were condemned by logs and drill stem tests, the well was completed as a dry hole on October 9, 1962.

Proposed Additional Wells - No additional development is planned for this unit in 1963, and by separate correspondence we are advising all partners concerned that the automatic elimination clause took effect on January 7, 1963.

Offset Obligations - Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands subject to the Greenwood Pre-Grayburg Unit Agreement, or pursuant to applicable regulations, fair and reasonable compensatory royalty will be paid as provided in Section 17 of said Agreement.

Further Development - This Plan of Development shall constitute the drilling obligations of the Unit Operator under the terms of the Greenwood Pre-Grayburg Unit Agreement for the calendar year ending December 31, 1963.

Effective Date - This Plan of Development shall be effective January 1, 1963.

PAN AMERICAN PETROLEUM CORPORATION
Unit Operator

BY: *Neil S. Whitmore*
Neil S. Whitmore
District Superintendent

RES:rl

APPROVED _____ DATE _____
Supervisor, United States Geological Survey

APPROVED _____ DATE _____
Commissioner of Public Lands

APPROVED *A. L. Porter, Jr.* DATE 3-27-63
Oil Conservation Commission

PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 268
Lubbock, Texas
December 21, 1962

File: JET-4471-416

Subject: Request for Approval of Initial
Bone Springs Participating Area,
Greenwood Pre-Grayburg Unit,
Shugart (Bone Springs) Field,
Eddy County, New Mexico

Director (7)
United States Geological Survey
c/o Oil and Gas Supervisor
P. O. Box 6721
Roswell, New Mexico

Commissioner of Public Lands
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission of (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

All Committed Working Interest
Owners in Unit Area
(See Attached Addressee List)

Gentlemen:

Pursuant to Section 11 of the Greenwood Pre-Grayburg Unit Agreement approved April 23, 1956, Pan American Petroleum Corporation as Unit Operator requests the establishment of a 360-acre Bone Springs Initial Participating Area. The Regional Oil and Gas Supervisor's letter of November 21, 1962, determined that the Bone Springs Formation in Greenwood Unit No. 3 is capable of producing unitized substances in paying quantities, and requested that an Initial Bone Springs Participating Area be established. The proposed Initial Participating Area consists of the NE/4 and N/2 SE/4, Section 27, T-18-S, R-31-E; and the W/2 NW/4 and NW/4 SW/4, Section 26, T-18-S, R-31-E.

Greenwood Unit No. 3 is located 1985' FNL and 660' FEL of Section 27, T-18-S, R-31-E, Eddy County, New Mexico, and was completed in July, 1958 as a Devonian gas well. The well was later recompleted to the Bone Springs and Wolfcamp Formations on April 6, 1961, and March 6, 1961, respectively. The Wolfcamp Formation in Greenwood Unit No. 3 has been designated as non-commercial. The Bone Springs Formation is presently producing 82 BOPD, with a cumulative oil production of 54,550 barrels as of December 1, 1962.

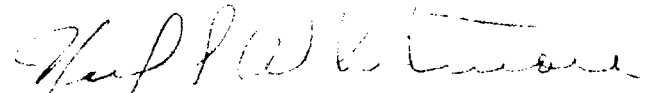
The effective date for the Initial Participating Area is determined as April 6, 1961, the date on which the well was recompleted to the Bone Springs Formation.

Attached hereto is Schedule I which describes the proposed Initial Participating Area for the Bone Springs Formation, which is located entirely on Tract No. 5A and is entirely within the established Siluro-Devonian Participating Area. Also attached is Exhibit "A", a map of the Greenwood Pre-Grayburg Unit Area, which shows the proposed Bone Springs Initial Participating Area and the established participating areas for the Delaware, Siluro-Devonian, and Pennsylvanian Formations. Also attached is a geological and engineering report containing a cross section showing the location and correlation of the Bone Springs Formation and a structural contour map of the Bone Springs, submitted in support of the proposed Initial Participating Area.

Copies of this application are being furnished the New Mexico Commissioner of Public Lands and the New Mexico Oil Conservation Commission for their information and approval. The Greenwood Pre-Grayburg Unit will probably be automatically contracted on January 5, 1963, thereby eliminating State of New Mexico acreage, and eliminating the requirement of approval of the Initial Participating Area by the above two state agencies. Necessary approval has been obtained from the other working interests for the submittal of the proposed Initial Participating Area for the Bone Springs Formation.

If the proposed Initial Participating Area meets with your approval, please indicate such approval hereon.

Yours very truly,



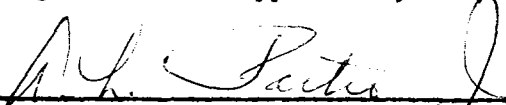
Neil S. Whitmore
District Superintendent

CFH/dp

Attachments

Approved: _____ Date: _____
Director, United States Geological Survey
(Subject to like approval by appropriate State Official)

Approved: _____ Date: _____
Commissioner of Public Lands
(Subject to like approval by USGS and Oil Conservation Commission)

Approved:  _____ Date: Jun 17, 1963
Oil Conservation Commission
(Subject to like approval by USGS and Commissioner of Public Lands)

SCHEDULE I

PROPOSED INITIAL PARTICIPATING AREA - BONE SPRINGS FORMATION, GREENWOOD
PRE-GRAYBURG UNIT NO. 3, SHUGART (BONE SPRINGS) FIELD, EDDY COUNTY, NEW MEXICO

<u>Tract Number</u>	<u>Description</u>	<u>Number of Acres</u>	<u>Participating Area</u>		<u>Percent Tract Participation</u>
			<u>Ownership</u>	<u>Percentage</u>	
5A	NE/4, N/2 SE/4, Sec. 27, T-18-S, R-31-E, W/2 NW/4, NW/4 SW/4 Sec. 26, T-18-S, R-31-E	360.00	Royalty	12.50% *	100%
			Production Payment	10.00%	
			Working Interest	38.75%	
			Continental Oil Co. Pan American Petr. Corp.	<u>38.75%</u>	
				<u>100.00%</u>	

* Basic minimum royalty of 12.50%. Royalty will vary with producing rate, according to the USGS sliding scale, which will result in a slight change in the Production Payment and Working Interest Percentage.

RECAPITULATION

Description of lands in Participating Area: T-18-S, R-31-E	NE/4, N/2 SE/4 Sec 27; W/2 NW/4, NW/4 SW/4 Sec. 26
Total number of acres in Initial Participating Area:	360.00
Total number of acres committed in Participating Area:	360.00
Total number of acres not committed in Participating Area:	-0-
Percent of basic royalty committed:	100.00%
Percent of working interest committed:	100.00%

GREENWOOD PRE-GRAYBURG UNIT

Mr. W. A. Mead
CONTINENTAL OIL COMPANY
825 Petroleum Building
Roswell, New Mexico

Mr. O. F. Featherstone
Roswell Petroleum Building
Roswell, New Mexico

Mr. G. W. Barb
MOBIL OIL COMPANY
P. O. Box 2406
Hobbs, New Mexico

Mr. Fred S. Wright, Jr.
MOBIL OIL COMPANY
P. O. Box 633
Midland, Texas

SINCLAIR OIL AND GAS COMPANY
P. O. Box 1470
Midland, Texas

Mr. R. L. Rankin
SHELL OIL COMPANY
P. O. Box 845
Roswell, New Mexico

Mr. R. T. Maxwell
TEXACO, INC.
P. O. Box 3109
Midland, Texas

CARPER DRILLING COMPANY
Carper Building
Artesia, New Mexico

PAN AMERICAN PETROLEUM CORPORATION, operator

12-21-62
dp