

Case Number

4360

Application
Transcripts.

Small Exhibits

ETC.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

May 27, 1970

EXAMINER HEARING

IN THE MATTER OF:

Application of Pan American
Petroleum Corporation to directionally
drill, Lea County, New Mexico.

Case No. 4360

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 4360.

MR. HATCH: Application of Pan American Petroleum Corporation to directionally drill, Lea County, New Mexico.

MR. BUELL: Mr. Hosford was sworn in a previous case.

MR. UTZ: Let the record show Mr. Hosford was sworn in a previous case and is still sworn.

(Whereupon, Pan American's Exhibit 1 was marked for identification)

P. E. HOSFORD,

called as a witness, having been previously sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. BUELL:

Q Mr. Hosford, since your qualifications are in the record of Case 4359 as the Examiner mentioned, I will ask you to first look at what has been identified as Pan American's Exhibit No. 1. What is that exhibit?

A Exhibit No. 1 is a portion of the Hobbs Pool showing the proposed surface location and the proposed bottomhole location of Pan American's Byers "A" No. 30.

Q Would you give the precise footage location for both the surface and bottomhole?

A Yes. The precise surface location is 663 feet from the north line and 1935 feet from the west line of Section 3,

Township 19, South Range 38 East. This is a surface location. The proposed bottomhole location is 330 feet from the north line and 1650 feet from the west line, same section.

Q Is that an orthodox bottomhole location?

A Yes, sir, this is an orthodox bottomhole location.

Q Why is this hearing required since this is an orthodox location?

A This proposed bottomhole orthodox location is in the Hobbs townsite area and there are obstructions over the proposed surface location, immediately above the bottomhole location, which would necessitate buying some additional land, drilling, really, or creating an unnecessary drill site and a producing location. And what Pan American's proposed over here to use the same well location as our existing Byers "A" No. 11 which will be produced as a companion well on this 40 acres proration unit, but we would drill the surface location from this existing producing site and deviate to the orthodox bottomhole location.

Q And to directionally control the well as we propose to do here, requires a hearing under the Commission General Rule 111, is that correct?

A Yes, sir. In the absence of an emergency situation, it does require a hearing.

Q And by going to this more expensive way of drilling a well directionally controlling it to a precise bottomhole location, we are avoiding the creation of another well site

tract so to speak, in the townsite of Hobbs?

A Yes, sir.

Q Do you have anything else you would care to add to this record, Mr. Hosford?

A No, sir, I don't.

MR. UTZ: Questions of the witness:

CROSS EXAMINATION

BY MR. UTZ:

Q What are the obstructions over your proposed bottomhole location?

A There are some lots available, Mr. Examiner, that we would have to buy, some town lots, also some buildings and such, nothing major in the way of an obstruction. We could get in there and do it, but it would cost some additional money.

Q But you do now have a surface location?

A Yes, sir. It's an existing well site.

MR. UTZ: Other questions?

MR. BUELL: It's a semi-residential area, as I recall. I have not seen it myself.

MR. UTZ: The witness may be excused. Statements in the case? The case will be taken under advisement.

(Whereupon, Applicant's Exhibit 1 was entered into evidence.)

I N D E X

WITNESS	PAGE
P. E. HOSFORD	
Direct Examination by Mr. Buell	2
Cross Examination by Mr. Utz	4

EXHIBITMARKED

Pan American's
Exhibit 1

2

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, Soveida Gonzales, Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Soveida Gonzales
 Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the hearing of Case No. 4380, held by me on May 27, 1970.
[Signature]
 New Mexico Oil Conservation Commission



"Symbol of Service"

REPORT
of
SUB-SURFACE
DIRECTIONAL
SURVEY

F
W
D
O

Pan American Petroleum Corporation
COMPANY

Byers " A " Number 30
WELL NAME

Lea County, New Mexico
LOCATION

JOB NUMBER
WT 73370 & WT 73470

TYPE OF SURVEY
Magnetic Multiple Shot
& Single Shot

DATE
July 27, 1970

SURVEY BY
Robert Burk & Bob Dockrey

OFFICE
Odessa, Texas



RECORD OF SURVEY

JOB NO. WT 73370

DATE July 27, 1970

CHECKED BY _____

STATION	MEASURED DEPTH	DRIFT ANGLE	TRUE VERTICAL DEPTH		VERTICAL SECTION	COURSE DEVIATION	DRIFT DIRECTION	RECTANGULAR COORDINATES			
								NORTH	SOUTH	EAST	WEST
1	364	1°	834	90		1 07	S 35 E		88	61	
2	475	1°15'				2 42	S 34 E		2 88	1 96	
3	594	1°15'				2 59	S 06 E		5 46	2 23	
4	710	1°15'				2 53	S 17 E		7 88	2 97	
5	835	1°15'				2 72	S 23 E		10 38	4 03	
6	960	1°				2 19	S 27 E		12 33	5 02	
7	1095	45'	1459	86		1 64	S 30 E		13 75	5 84	
8	1210	30'				1 09	S 21 E		14 77	6 23	
9	1335	15'				55	S 69 E		14 97	6 74	
10	1460	30'				1 09	N 21 W		13 95	6 35	
11	1582	30'				1 06	N 08 W		12 90	6 20	
12	1710	1°				2 24	N 19 W		10 78	5 47	
13	1835	1°	2083	78		2 19	N 58 W		9 62	3 61	
14	1960	45'				1 64	S 79 W		10 07	2 03	
15	2084	45'				1 62	N 70 W		9 52	51	
16	2207	1°				2 15	N 18 W		7 48		15
17	2331	1°45'				3 78	N 11 W		3 77		87
18	2453	1°				2 13	S 78 E		4 21	1 00	
19	2577	45'	2576	65		1 62	S 61 W		4 99		42



RECORD OF SURVEY

JOB NO. WT 73470

DATE July 27, 1970

CHECKED BY

STATION	MEASURED DEPTH	DRIFT ANGLE	TRUE VERTICAL DEPTH		VERTICAL SECTION	COURSE DEVIATION	DRIFT DIRECTION	RECTANGULAR COORDINATES			
								NORTH	SOUTH	EAST	WEST
19	2577		2576	65	Results of Magnetic Multiple Shot Survey						42
20	2655	4°45'				6 46	N 33 W		4 99		3 94
21	2706	7°45'			6 88	N 43 W	5 46			8 63	
22	2799	10°15'			16 54	N 49 W	16 31			21 11	
23	2893	13°15'			21 54	N 53 W	29 27			38 31	
24	2991	15°			25 36	N 53 W	44 53			58 56	
25	3071	16°	3059	59	22 05	N 51 W	58 41			75 70	
26	3154	16°			22 87	N 51 W	72 80			93 47	
27	3248	15°45'			25 51	N 51 W	88 85			113 29	
28	3348	15°15'			26 30	N 52 W	105 04			134 01	
29	3440	14°30'			23 04	N 46 W	118 74			150 58	
30	3492	14°30'	3465	74	13 02	N 37 W	129 14			158 41	
31	3585	15°30'			24 85	N 34 W	149 74			172 31	
32	3673	13°30'			20 54	N 32 W	167 16			183 19	
33	3748	11°45'			15 27	N 29 W	180 51			190 59	
34	3868	13°			27 00	N 28 W	204 35			203 27	
35	3920	13°15'	3882	19	11 92	N 27 W	214 97			208 68	
36	4040	15°			31 06	N 26 W	242 89			222 30	
37	4138	16°30'			27 83	N 26 W	267 90			234 50	
38	4283	19°	4229	15	47 21	N 29 W	309 18			257 33	
					Closure	402.3' North 39° 46 ' West					



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

**GOVERNOR
DAVID F. CARGO
CHAIRMAN**

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

June 10, 1970

Mr. Guy Buell
Pan American Petroleum Corporation
Post Office Box 1410
Fort Worth, Texas 76101

Re: Case No. 4360
Order No. R-3973
Applicant: Pan American Petroleum Corp.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

Very truly yours,
G. L. Carter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC _____

Aztec OCC

Other

Docket No. 13-70

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 27, 1970

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4357: Application of Stallworth Oil & Gas for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill an infill producing oil well at an unorthodox location, 1315 feet from the South and East lines of Section 25, Township 16 South, Range 30 East, in its Square Lake Grayburg-San Andres Waterflood Project, Eddy County, New Mexico.

CASE 4358: Application of Union Oil Company of California for a non-standard gas proration unit and unorthodox location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 240-acre non-standard gas proration unit comprising the NE/4 and E/2 SE/4 of Section 18, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, to be dedicated to its Federal 18 Well No. 2 at an unorthodox location 660 feet from the South and East lines of said Section 18. Applicant further requests that the allowable assigned to the subject well be effective as of May 1, 1970.

CASE 4359: Application of Pan American Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a gas well at an unorthodox location 1650 feet from the South line and 990 feet from the West line of Section 22, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico.

CASE 4360: Application of Pan American Petroleum Corporation to directionally drill, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to locate its Byers "A" Well No. 30 at a point 663 feet from the North line and 1935 feet from the West line of Section 3, Township 19 South, Range 38 East, Hobbs (Grayburg-San Andres) Pool, Lea County, New Mexico, and directionally drill said well to a bottom-hole location 330 feet from the North line and 1650 feet from the West line of said Section 3.

CASE 4341: (Continued from the April 29, 1970, Examiner Hearing)
Application of Pan American Petroleum Corporation for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of two non-standard

(Case 4341 continued)

gas proration units for its State "C" Tract 13 Well No. 5, a dual completion, located 1980 feet from the North line and 660 feet from the West line of Section 36, Township 21 South, Range 37 East, Lea County, New Mexico, said units to be comprised as follows:

Elnebry Gas Pool - 240 acres - NW/4
and W/2 NE/4

Tubb Gas Pool - 200 acres - W/2 NW/4,
NE/4 NW/4 and W/2 NE/4

CASE 4361: Application of Read & Stevens for an unorthodox gas well location, Chaves County, New Mexico. Applicants, in the above-styled cause, seek authority to drill a gas well at an unorthodox location 990 feet from the South and West lines of Section 6, Township 15 South, Range 28 East, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, to be dedicated to a gas proration unit comprising the W/2 of said Section 6.

CASE 4362: Application of William J. LeMay for a non-standard gas proration unit or compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 318.9-acre non-standard gas proration unit comprising Lots 1 and 2 and the E/2 NW/4 and NE/4 of Section 7, Township 20 South, Range 25 East, Dagger Draw-Morrow Gas Pool, Eddy County, New Mexico, or a 478-acre non-standard unit comprising Lots 1, 2, 3, and 4, and the E/2 W/2, and NE/4 of said Section 7. In the alternative, applicant seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying said Section 7. The acreage in the above proposals is to be dedicated to a well 1650 feet from the North and West lines of said Section 7 which is to be re-entered.

CASE 4352: (Continued from the May 13, 1970, Examiner Hearing)
Application of Jack L. McClellan for the creation of a new gas pool or, in the alternative, the establishment of pool rules for two existing pools, Chaves and Lea Counties, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Queen gas pool comprising the following-described acreage:

CHAVES COUNTY, NEW MEXICO

Township 15 South, Range 29 East
Section 11: SE/4

Examiner Hearing - May 27, 1970

Docket No. 13-70

-3-

(Case 4352 continued)

CHAVES COUNTY, NEW MEXICO

Township 15 South, Range 29 East

Section 12: SW/4

Section 13: NW/4

Section 14: E/2

Section 23: NE/4 and SW/4

In the alternative applicant seeks the promulgation of special rules for the Sulimar-Queen Pool, Chaves County, and Double L-Queen Pool, Chaves and Lea Counties, New Mexico, as separate or as consolidated pools, including provisions for the classification of oil and gas wells, spacing and well location requirements for oil and gas wells, and an allocation formula for withdrawals by oil wells and gas wells.

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. 4360
Order No. R-3973

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION TO DIRECTIONALLY DRILL, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 27, 1970,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 10th day of June, 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 authority to locate its Byers "A" Well No. 30 at a surface
location 663 feet from the North line and 1935 feet from the West
line of Section 3, Township 19 South, Range 38 East, NMPM, Hobbs
(Grayburg-San Andres) Pool, Lea County, New Mexico, and direction-
ally drill said well in a northwesterly direction to a bottom-hole
location in said pool approximately 330 feet from the North line
and 1650 feet from the West line of said Section 3.
- (3) That there is an existing drilling pad at the proposed
surface location.
- (4) That there are buildings at or near a surface location
330 feet from the North line and 1650 feet from the west line of
said Section 3.
- (5) That approval of the subject application will permit
the applicant to utilize the existing drilling pad, avoid certain

CASE No. 4360
Order No. R-3973

surface obstructions, will prevent waste, and will not violate correlative rights.

IT IS THEREFORE ORDERED:

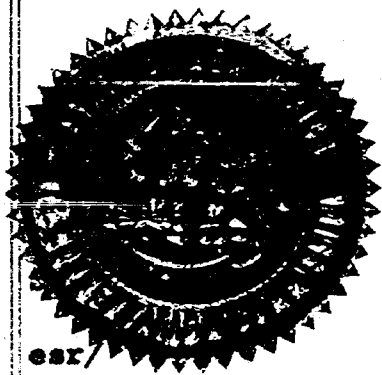
(1) That the applicant, Pan American Petroleum Corporation, is hereby authorized to locate its Byers "A" Well No. 30 at a surface location 663 feet from the North line and 1935 feet from the West line of Section 3, Township 19 South, Range 38 East, NMPL, Hobbs (Grayburg-San Andres) Pool, Lea County, New Mexico, and to directionally drill said well in a northwesterly direction to a bottom-hole location in said pool 330 feet from the North line and 1650 feet from the West line of said Section 3.

(2) That subsequent to the above-described directional drilling, a continuous multi-shot directional survey shall be made of the well-bore from total depth to the surface with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Commission, Box 2088, Santa Fe, New Mexico, and that the operator shall notify the Commission's Hobbs District Office of the date and time said survey is to be commenced.

(3) That Form C-105 shall be filed in accordance with Commission Rule 1105 and the operator shall indicate thereon true vertical depths in addition to measured depths.

(4) 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
DAVID F. CARGO, Chairman

Alex J. Armiijo
ALEX J. ARMIJO, Member

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

Case 4360

Board 5-27-70

Rec. 5-28-70

Grant Pan Am permission to
directionally drill its Byers A
#30 at a surface location of
663/N, 1935/W 3+195-38E. and
bottomed in Hobbs Gushy-S.A.
Oil pool at a point 1650/W. & W
line. of sec B.

a directional survey shall
be made to ~~set~~ determine
the actual bottom of well +
same reported at completion
of well.

Thos R

MAIN OFFICE 600

'70 May 21 PM 1 04

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF PAN AMERICAN PETROLEUM COR-)
PORATION TO DIRECTIONALLY DRILL)
ITS BYERS "A" WELL NO. 30, LEA)
COUNTY, NEW MEXICO.)

Case No. 4360

ENTRY OF APPEARANCE

The undersigned Atwood, Malone, Mann & Cooter of Roswell,
New Mexico, hereby enter their appearance herein for the Applicant,
Pan American Petroleum Corporation, with Guy Buell, Esquire, of
Fort Worth, Texas.

ATWOOD, MALONE, MANN & COOTER

By Charles Malone
Attorneys for Pan American
Petroleum Corporation
P. O. Drawer 700
Roswell, New Mexico 88201

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING
FORT WORTH, TEXAS—76101

P. O. BOX 1410

D. L. RAY
DIVISION ENGINEER

April 29, 1970

File: PEH-217-986.510.1

Subject: Authorization to Directionally
Drill the Pan American Byers "A"
Well No. 30, Hobbs (Grayburg-
San Andres) Field, Lea County,
New Mexico

Byers A # 11

1980

660/W, 1980/W

*1320
660*

Case 4260

New Mexico Oil Conservation Commission (3)
Post Office Box 871
Santa Fe, New Mexico 87501

Gentlemen:

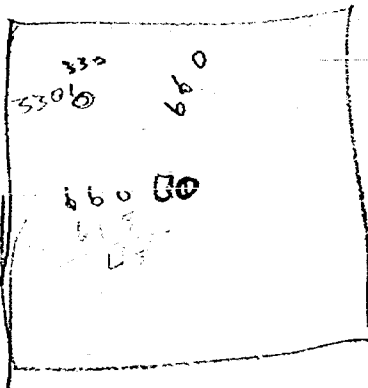
Pan American Petroleum Corporation respectfully requests that a case be docketed on your May 27th hearing schedule to consider our request to directionally drill our Byers "A" Well No. 30 in the Hobbs (Grayburg-San Andres) Field. The surface location of this well will be 663' FNL and 1935' FWL of Section 3, T-19-S R-36-E. The proposed bottom hole location will be 330' FNL and 1650' FWL of Section 3 in the same township and range. The only offset operator to this proration unit other than Pan American is Samedan Oil Corporation whose address is 2207 Wilco Building, Midland, Texas 79701.

Yours very truly,

D.L. Ray

*1935
1320
615*

WCW:mg



DOCKET MAILED

Date *5/14/70*

DRAFT

GMH/esr
June 3, 1970

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. 4360

Order No. R-3973

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION TO DIRECTIONALLY DRILL, LEA
COUNTY, NEW MEXICO.

6-5-70

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 27, 1970,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this June day of June, 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 authority to locate its Byers "A" Well No. 30 at a ~~point~~
location
~~on the surface of the ground~~ 663 feet from the North line and
1935 feet from the West line of Section 3, Township 19 South,
Range 38 East, NMPM, Hobbs (Grayburg-San Andres) Pool, Lea County,
New Mexico, and directionally drill said well in a northwesterly
direction to a bottom-hole location in said pool *approximately* 330 feet from
the North line and 1650 feet from the West line of said Section 3.

(3) That there is an existing drilling pad at the proposed
surface location.

(4) That there are buildings at or near a surface location 330 feet from the North line and 1650 feet from the West line of said Section 3.

(5) That approval of the subject application will permit the applicant to utilize the existing drilling pad, avoid certain surface obstructions, will prevent waste, and will not violate correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby authorized to locate its Byers "A" Well No. 30 at a surface location 663 feet from the North line and 1935 feet from the West line of Section 3, Township 19 South, Range 38 East, NMPM, Hobbs (Grayburg-San Andres) Pool, Lea County, New Mexico, and to directionally drill said well in a northwesterly direction to a bottom-hole location in said pool 330 feet from the North line and 1650 feet from the West line of said Section 3.

(2) That subsequent to the above-described directional drilling, a continuous multi-shot directional survey shall be made of the well-bore from total depth to the ~~whitstock point~~ **surface** with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Commission, Box 2088, Santa Fe, New Mexico, and that the operator shall notify the Commission's Hobbs District Office of the date and time said survey is to be commenced.

(3) That Form C-105 shall be filed in accordance with Commission Rule 1105 and the operator shall indicate thereon true vertical depths in addition to measured depths.

(4) That Unit C of said Section 3 shall be dedicated to the subject well.

-3-

CASE No. 4360

(5) 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.