

Case No.

1344

Application, Transcript,
Small Exhibits, Etc.

CASE 1344: Pan American Petr. Corp. applica-
tion for 331-acre NS gas proration unit &
unorthodox gas well location, Blanco Mesaverd

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
November 20, 1957

IN THE MATTER OF
CASES. NOS.
1344, 1345,
& 1346.

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE - SANTA FE
3-6691 2-2211

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
November 20, 1957

IN THE MATTER OF:

Application of Pan American Petroleum Corporation for a non-standard gas proration unit and an unorthodox gas well location in the Blanco Mesaverde Gas Pool in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a 331-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the S/2 S/2 N/2 and S/2 of Section 18, Township 29 North, Range 9 West, San Juan County, New Mexico, and for an unorthodox gas well location for said unit well at a point 1820 feet from the South line and 1850 feet from the East line of said Section 18.

CASE NO.

1344

Application of Pan American Petroleum Corporation for a non-standard gas proration unit and an unorthodox gas well location in the Blanco Mesaverde Gas Pool in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a 409-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the N/2 and N/2 S/2 of Section 19, Township 29 North, Range 9 West, San Juan County, New Mexico, and for an unorthodox gas well location for said unit well at a point 1750 feet from the North line and 1750 feet from the East line of said Section 19.

CASE NO.

1345

Application of Pan American Petroleum Corporation for a non-standard gas proration unit and an unorthodox gas well location in the Blanco Mesaverde Gas Pool in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a 408-acre

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non-standard gas proration unit in)
the Blanco Mesaverde Gas Pool con-)
sisting of the S/2 S/2 of Section 19,)
and the N/2 of Section 30, Township)
29 North, Range 9 West, San Juan)
County, New Mexico, and for an)
unorthodox gas well location for)
said unit well at a point 990 feet)
from the North line and 1650 feet)
from the East line of said Section 30.)

CASE NO.

1346

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. BUELL: I would like to enter an appearance for Pan American, C. L. Kelley, Dan Currens, and Guy Buell.

May it please the Examiner, I would also like to point out that the subject case, along with Case 1345 and Case 1346, relate almost identically to the same subject matter. Also, they are in the same area of the Pool. In view of that, and to avoid duplication of testimony, which would be time-consuming, I move at this time that for the purpose of this hearing only, that those three cases be consolidated and that when orders are issued, that an order be issued for each case.

MR. UTZ: You have heard the motion. Is there objection to the consolidation for purposes of testimony only, Cases 1344, 1345 and 1346?

Without objection, it is so ordered.

MR. BUELL: We have one witness, Mr. Examiner, Mr. Currens.

(Witness sworn)

DANIEL R. CURRENS

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. BUELL:

Q Would you state your full name, by whom you are employed, and in what capacity and in what location, Mr. Currens?

A My name is Daniel R. Currens. I am employed by Pan American Petroleum Corporation as a petroleum engineer in the reservoir section, the Roswell District Office, Roswell, New Mexico.

Q Does that office have supervision over Pan American's operations in the Blanco Mesaverde Gas Pool? A It does.

Q What is your educational background, Mr. Currens?

A I was graduated in May, 1954, from Texas A & M, with a Bachelor of Science degree in chemical engineering. I was employed by Pan American Petroleum Corporation after graduating and have been employed by Pan American Petroleum Corporation continuously since that time with the exception of two years in military service.

MR. BUELL: Mr. Examiner, are the witness' qualifications acceptable?

MR. UTZ: His qualifications are acceptable.

Q (Mr. Buell) Mr. Currens, have you prepared a plat which reflects the three proposed units in question here today as well as the general area surrounding those three proposed units?

A Yes, I have prepared such a plat.

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MR. BUELL: This will be Exhibit 1, please, Mr. Examiner.

MR. UTZ: It will be so marked.

Q (Mr. Buell) At the outset, Mr. Currens, let me ask you, why is this hearing necessary?

A This hearing is necessary in that these proposed units are oversized, that is, being more than 320 acres, and associated with these oversized units are unorthodox well locations.

Q Are the locations unorthodox simply because the units are non-standard?

A Yes.

Q What conditions exist, Mr. Currens, that cause the formation of these non-standard units that you propose here today?

A Well, in the western row of sections in Range 9 West, in this particular area, there is a variation in the legal United States Public Land Survey therein, that these sections are not full 650 acre sections in size.

Q Is this a general condition along that dividing line that you mentioned?

A Yes, in this particular area.

Q As a matter of fact, Mr. Currens, are not the three units that you propose here today offset to the south as well as to the north by non-standard units?

A Yes, this is true, the three proposed units here are intervening acreage between developed "BM" units, which are also non-standard.

Q All right, sir. Directing your attention to Exhibit 1 and particularly to units north of your three proposed units, what has

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caused those units to be non-standard?

A Well, those units are non-standard in size for the same reason, the variation in land survey, the unit immediately north of our three proposed non-standard units, which are outlined in blue dashed line on Exhibit 1. The first unit immediately north of that is a non-standard unit, the Sammons Gas Unit "B", 338 acres, and the one which is partially shown there is the Hawk Gas Unit, being 342 acres in area.

Q All of these units to the north of our proposed units which you just mentioned are all non-standard because they are all oversized, is that correct?

A That is correct. They were approved as non-standard production units by Order R 771 and Order 564.

Q All right, sir, now, with specific reference to the three proposed units in question, let me ask you to locate each of those units starting with the northern-most unit first, and in that connection, in order to expedite our references to them in the testimony -- although they are not recognized units as yet -- let's give them a proposed unit name to simplify our reference, so if you will give their locations and the proposed unit name.

A Well, the northern-most of these proposed units is located in its entirety in Section 18, Township 29 North, Range 9 West, being approximately 331 acres in size and we could determine that for purposes of this hearing, the proposed Valencio unit.

Q All right, sir, the next unit to the south of your northern-

most unit?

A The center of the three proposed units is entirely within Section 19, Township 29 North, Range 9 West, being comprised of approximately 409 acres, and for purposes of this testimony we could call that the proposed Snyder unit.

Q All right, sir. Now the southern-most proposed unit.

A The southern-most proposed unit -- all of these units are outlined in red on Exhibit 1 -- The southern-most unit of these proposed units lies within Section 19, and Section 30 of Township 29, Range 9 West, and it is approximately 408 acres in size. We could determine that, for purposes of this hearing, the proposed Gerk unit.

Q All right, sir. Now, I believe you gave the acreage on the first unit, the proposed Valencio unit, as approximately 330 acres. Let me ask you this, with respect not only to the location of that unit but the proposed location, or location of each of these three units; Are each of those locations more near the center of the proposed unit than it would be necessary if the units were standard?

A Yes, they are. They are more nearly the center of the proposed unit.

Q Certainly there is no question of including the lines of the proposed unit?

A No.

Q All right. Would you briefly state the amount of acreage that is in the proposed Snyder unit?

A The proposed Snyder unit is approximately 409 acres in area.

Q Does the Snyder unit have a well on it at this time?

A Yes, one well has been drilled in the Snyder unit. It's indicated on the Exhibit 1, and circled in red. You'll note that there is some data posted by this well indicating a test of 2,774 MCF per day, on November 12, 1957.

Q Why was that well drilled prior to the Commission's approval of this proposed unit?

A If you will note, that well is located on the Henry Snyder lease, and further note on this plat that the Henry Snyder lease bears an expiration day of November 17, 1957, you will see that it was necessary to drill this well in order to protect our lease.

Q Was the Commission advised of all the facts concerning this proposed unit at the time Pan American filed its Notice of Intention to Drill this well on the Snyder lease?

A Yes, they certainly were. We filed a Notice of Intention to Drill with the Commission, which was approved October 17, 1957, subject of course, to the unit being formed.

Q All right, sir. Now, would you give the acreage that is assigned to the proposed Gerk unit?

A Approximately 408 acres.

Q Looking at Exhibit 1, Mr. Currens, I notice that in each of the proposed units there are varying working interests. Are all of these working interests aware of the proposed units that Pan American is submitting to the Commission here today?

A Yes, all of the other working interests in these three pro-

posed units have been advised of our intention in this hearing, been contacted, and further, they have indicated that they favor the formation of such units.

Q Do you have any more official explanation of --

A Well yes.

Q -- why we haven't actually completed any pooling instruments or communitization instruments?

A The various interests in the proposed Snyder unit have agreed to pay their proportional cost of the Snyder well that has now been drilled there subsequent, of course, to approval of this application by the Commission.

Q In other words, they agree to pay their share of the cost based on their acreage included in that unit?

A Yes, they have.

Q Is there any interest owner in the Valencio unit or the Gerk unit that is not in the Snyder unit?

A No, there is none to my knowledge.

Q Looking at your Exhibit No. 1, Mr. Currens, in your opinion, is it possible to form standard units with the acreage in question?

A No, sir, you couldn't form standard units in these non-standard sections on this intervening acreage between development.

Q Let me ask you this, we are proposing three non-standard units here today, how would the acreage breakdown be if an attempt were made to form four units in as realistic and practical manner as possible?

A Well, the most realistic outlook to form four units in this to develop this acreage would be a case wherein we have one unit 331 acres in size, and we would then have two units approximately 273 acres in size and a fourth unit approximately 271 acres in size.

Q Then in that event, Mr. Currens, you would actually have four non-standard units instead of three as proposed here today?

A Yes, we certainly would.

Q Now, for the purpose of answering this question I want you to completely ignore the practicabilities of the situation and ignore being realistic and see if you could possibly form any series or groups of units with this acreage in question and have at least one of them a standard unit.

A We could form units in this acreage and have one standard unit. However, it would necessitate the formation of an additional three non-standard units to develop the remaining acreage.

Q So even then you would still have three non-standard units?

A Yes, we would.

Q All right, sir. Since you propose only three units and three wells for the acreage in question here, let me ask you whether or not in your opinion, four wells in four units on this acreage in question would recover a significantly larger amount of gas than the three wells on the three units that you propose?

A It is my opinion there would be no significant difference in the recovery utilizing four wells rather than three. There would be no substantial difference in the ultimate recovery of

gas from this acreage.

Q In your opinion, do you believe this additional volume of gas that might be recovered from four wells will even begin to pay for the cost of drilling and completing the fourth well?

A No, that additional volume couldn't begin to pay out the fourth well.

Q Then, in view of that testimony, you are of the opinion that no waste will result if the Commission approves these three proposed units as outlined on Pan American's Exhibit No. 1?

A That is very definitely my opinion.

Q On the contrary, Mr. Currens, do you feel that economics waste will occur if a fourth well is required on this acreage in question?

A I certainly believe that to be true.

Q Do you feel that the three units as proposed, if approved by the Commission, will protect the correlative rights of all interested parties?

A I do.

Q Now, have you made a study and an evaluation of this portion of the Blanco Mesaverde Pool as to whether or not the acreage that you show as assigned to these three proposed units is or is not productive?

A Yes, sir, I have. I have made such a study.

Q And in your opinion, is all of the acreage contained within the three proposed units productive?

A I definitely believe that it is.

Q Briefly state upon what data you base such conclusions?

A Let me draw your attention to Exhibit 1. You will note certain figures on Exhibit 1 in pencil, in red pencil and orange pencil. In all cases -- this light doesn't distinguish between red and orange too well -- the red number is the top, and the orange is the bottom. The red numbers represent September production from the Blanco Mesaverde wells in this area; the orange represents deliverability of these wells. Both of these figures were taken from the Conservation Commission's October Proration Schedule. You will note that we are offset here to the northwest, the north, the northeast, the east, and the southeast, and south by producing Blanco Mesaverde wells in addition to this, in the more or less center of our three proposed unit. The Snyder well has had a very good test in the Mesaverde, recovering some 2,774 MCF's of gas per day on that test. Being practically surrounded by offset production and having a good test in the center of this unit very definitely makes me believe that the entire acreage is productive.

MR. BUELL: That's all we have at this time, Mr. Examiner.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Currens, the 2,774 MCF figure for the Snyder well, is that initial potential or deliverability?

A That was an initial potential test, sir, that was taken Pitot. We haven't completed the testing on this well, we don't have shut-in pressure on it as yet.

Q Would you care to hazard a guess what the deliverability might be on that well?

A As to a figure, I wouldn't. However, I would say that it would be comparable to the better deliverability shown on the plat here and far better than the deliverability shown on this plat for the offsetting wells.

Q Do you have reason to believe it would be in the neighborhood of five or six hundred?

A Yes, sir. Oh, yes, sir.

Q Which is not too big a well?

A Well, it is much better than the deliverability on a number of these offsetting wells.

Q I think you stated, I didn't catch the figures, that the size of the units to the north and south -- were any of these larger than 409?

A No, sir, they were not.

Q They were somewhat smaller?

A Yes, sir.

Q Were they larger than 320?

A Yes, sir, they were.

Q Why don't we just state what they were?

A I am sorry. The Sammons, immediately north of the northernmost proposed unit, is 331. Immediately north of that, the Nye is 337, and the one that is shown partially there at the very top is 342.

Q Is the unit to the south a non-standard unit?

A I believe it is, sir.

Q Do you happen to know what the acreage is?

A I don't know the acreage right off hand on that unit, sir.

Q Do you have any idea what wells cost in this area?

A Yes, sir, approximately seventy-five to eighty thousand dollars.

MR. UTZ: Does anyone have a question of Mr. Currens?

MR. COOLEY: Yes, please.

MR. UTZ: Mr. Cooley.

BY MR. COOLEY:

Q Mr. Curran, would you please give the locations of the three wells? I don't believe you gave any of them.

A I am sorry. They are shown on the plat.

Q The proposed well?

A In the proposed Valencio unit, the proposed location for that well would be 1820 feet from the South line and 1850 feet from the East line of Section 18, Township 29 North, Range 9 West. The next one immediately south, the Snyder well, is located 1750 feet from the North and East lines of Section 29, Township 29 North, Range 9 West. The southern-most of these units, the proposed Gerk unit, is located 990 feet from the North line and 1650 feet from the East line of Section 30, Township 29, Range 9 West.

Q Now, with respect to the boundaries of the proposed units, what is the location of the proposed Gerk well?

A From the southern boundary of that proposed unit?

Q Yes, please. East will remain the same.

A Yes, the east would remain the same. It will be approximately

one thousand feet. I don't have it surveyed or don't have any knowledge of a survey from that point, but it would be approximately that.

Q Do you know the nearest distance which the rules in the Mesaverde Gas Pool would permit an operator to drill to the boundary line?

A As I recall, I might be in error on this, it is 790 feet.

Q None of the proposed wells are drilled as near the boundary line as the rule will permit?

A No, none of the proposed locations of existing wells.

Q You stated that no communitization agreement has been formed at the present time with respect to the three units?

A That's correct, sir.

Q Is there any production from the Snyder well at the present time?

A No, sir, there isn't. We simply have that test on there.

Q Will a formal communitization agreement be entered into in each of these three units?

A A communitization agreement would be necessary, I believe, before we could produce these units.

Q That's what I was getting at. This order would, of necessity, be written contingent upon approval of communitization?

A Right. I see no other way.

MR. COOLEY: That's all the questions I have. Thank you.

MR. UTZ: Are there any other questions of Mr. Currens?

MR. BUELL: I have one more if no one else has.

MR. UTZ: I have one or two.

BY MR. UTZ:

Q Mr. Currens, do you know of any non-standard units in the Blanco Mesaverde Gas Pool as large as 409 acres?

A I do not, sir.

MR. BUELL: In that connection, Mr. Examiner, I might point out that we analyzed the proration schedule for this. There are 46 oversized proration units carried on the proration schedule.

MR. UTZ: Can you state what the largest one was?

MR. BUELL: I believe the largest one was slightly over 350 acres. I found none that were 400.

Q (Mr. Utz) Mr. Currens, the location of these wells insofar as the southwest, northeast quarters of the section are concerned are standard locations, is that correct?

A Well, that would be the case, sir, with the Snyder well and the proposed Gerk well. However, in Section 18 on the proposed Valencio that would not be standard.

MR. UTZ: Are there any further questions of Mr. Currens?

MR. BUELL: I have some.

REDIRECT EXAMINATION

BY MR. BUELL:

Q Mr. Currens, is there any question in your mind but what a well located at the proposed location, as reflected by Pan American's Exhibit 1, will not efficiently and effectively drain the acreage

assigned that well?

A Under these proposed assignments here?

Q Yes.

A There is no question in my mind that they can't adequately drain that.

Q As a matter of fact, it is proper, under the rules, to drill a well in a standard unit, and the southern-most part of that unit would be further than it would be in case of these oversized unit, is that correct?

A Yes, sir, that's true.

MR. BUELL: That's all.

MR. UTZ: Are there any statements in this case? If not, the witness may be excused.

(Witness excused)

MR. UTZ: Did you offer your exhibits?

MR. BUELL: No.

MR. UTZ: Do you want to offer them?

MR. BUELL: We would like to formally offer that as Pan American's Exhibit 1 at this time.

MR. UTZ: Is there objection to the offering of Exhibit No. 1 for cases 1344, 1345 and 1346?

Do you have a statement, Mr. Cooley?

MR. COOLEY: I have a communication from Empire State Drilling Corporation addressed to the New Mexico Oil Conservation Commission. I will quote it:

"Gentlemen: We would like to enter our request for approval

of the above case requesting non-standard units necessitated by non-standard sections as a partial interest owner in the unit specified in each of these cases. We have studied the proposal as prepared by the operator, Pan American Petroleum, and believe them to be fair and equitable. Very truly, Empire State Drilling Company, signed John P. Wiedemer."

MR. UTZ: Does anyone have anything further in these three cases? If not, the cases will be taken under advisement and the hearing will be recessed until 1:30.

C E R T I F I C A T E

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STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, J. A. TRUJILLO, Notary Public 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 in Stenotype and reduced to typewritten transcript by me and/or under my personal supervision; the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS, my Hand and Seal, this, the 28th day of December, 1957, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

My Commission Expires:
October 5, 1960.

J. A. Trujillo
Notary Public

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner's hearing of Case No. 1344, 1345, 1346
heard by me on Nov. 20, 1957.
[Signature], Examiner
New Mexico Oil Conservation Commission

DEARNLEY, MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 11-21-57

CASE 1399

Hearing Date 11-20-57

My recommendations for an order in the above numbered cases are as follows:

- That the application be granted ~~as~~ requested.
1. For a non-std. location in exception to R-110, dated 11-9-57. (SE/4 instead of SW/4)
 2. The Valencia Gas unit well shall be located 1820/S, 1850/E lines of section 18-29N-9W.
 3. The non-std. Mesa Verde gas unit shall consist of 5/2 5/2 N/2 and 5/2 ^{Partial} of section 18, 29N-9W consisting of 330.98 acres and shall have an acreage factor of 1.03 for purpose of proration.

Note: Emen approved this in telephone conversation of 11:00 AM - 11-21-57.

Christ A. W.
Staff Member

DOCKET: EXAMINER HEARING NOVEMBER 20, 1957

Oil Conservation Commission 9:00 a.m. Mabry Hall, State Capitol, Santa Fe, New Mex.

The following cases will be heard before Elvis A. Utz, Examiner:

- CASE 1340: Application of the Ohio Oil Company for an order authorizing an oil-oil dual completion in the Monument-Blinebry Pool and Monument-Paddock Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Bertha Barber Well No. 9 located 1980 feet from the North line and 560 feet from the West line of Section 5, Township 20 South, Range 37 East, Lea County, New Mexico, in such a manner that oil may be produced through parallel strings of tubing from the Monument-Blinebry Pool and Monument-Paddock Pool, Lea County, New Mexico.
- CASE 1341: Application of R. Olsen for an order authorizing an oil-oil dual completion in the Tubb Gas Pool and Blinebry Oil Pool in Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Sarkeys Well No. 2, located 660 feet from the North line and 660 feet from the West line of Section 25, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner that oil may be produced through parallel strings of tubing from the Tubb Gas Pool and Blinebry Oil Pool, Lea County, New Mexico.
- CASE 1342: Application of Shell Oil Company for permission to install centralized automatic production facilities and lease custody transfer system on certain of its leases in the Pearl-Queen Pool area, Lea County, New Mexico, and for permission to produce more than eight wells into common storage and to transport oil from the leases prior to measurement. Applicant, in the above-styled cause, seeks an order authorizing it to install automatic production facilities and lease custody transfer system on twenty-three of its leases in the Pearl-Queen Pool area located in Sections 21, 22, 23, 25, 26, 27, 28, 34, 35, and 36, all in Township 19 South, Range 35 East, and Section 2, Township 20 South, Range 35 East, Lea County, New Mexico, and further authorizing the production of more than eight wells into common storage and permitting the transportation of oil from said leases prior to measurement.
- CASE 1343: Application of Humble Oil and Refining Company for an order authorizing two producing wells on a 640-acre gas proration unit in the Eumont Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing two Eumont gas wells on its Eumont Gas Unit No. 1 which comprises Section 4, Township 20 South, Range 37 East, Lea County, New Mexico, said unit is presently dedicated to the applicant's Eumont Gas Unit #1, Well No. 1, located 2310 feet from the South line and 1980 feet from the East line of said Section 4. The proposed additional well is the applicant's Eumont

Gas Unit #1, Well No. 2, located 2180 feet from the South line and 660 feet from the West line of said Section 4. Applicant proposes to limit the production from the No. 2 Well to no more than 50% of the unit allowable.

CASE 1344:

Application of Pan American Petroleum Corporation for a non-standard gas proration unit and an unorthodox gas well location in the Blanco Mesaverde Gas Pool in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a 331-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the S/2 S/2 N/2 and S/2 of Section 18, Township 29 North, Range 9 West, San Juan County, New Mexico, and for an unorthodox gas well location for said unit well at a point 1820 feet from the South line and 1850 feet from the East line of said Section 18.

CASE 1345:

Application of Pan American Petroleum Corporation for a non-standard gas proration unit and an unorthodox gas well location in the Blanco Mesaverde Gas Pool in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a 409-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the N/2 and N/2 S/2 of Section 19, Township 29 North, Range 9 West, San Juan County, New Mexico, and for an unorthodox gas well location for said unit well at a point 1750 feet from the North line and 1750 feet from the East line of said Section 19.

CASE 1346:

Application of Pan American Petroleum Corporation for a non-standard gas proration unit and an unorthodox gas well location in the Blanco Mesaverde Gas Pool in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a 408-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the S/2 S/2 of Section 19, and the N/2 of Section 30, Township 29 North, Range 9 West, San Juan County, New Mexico, and for an unorthodox gas well location for said unit well at a point 990 feet from the North line and 1650 feet from the East line of said Section 30.

CASE 1347:

Application of Pan American Petroleum Corporation for approval of a non-standard gas proration unit in the Tubb Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a non-standard gas proration unit in the Tubb Gas Pool consisting of the W/2 W/2 of Section 32, Township 22 South, Range 38 East, Lea County, New Mexico, said unit to be dedicated to the applicant's State "S" No. 3 Well located 1980 feet from the North line and 660 feet from the West line of said Section 32.

CASE 1348:

Application of Cities Service Oil Company for approval of two non-standard gas proration units in the Tubb Gas Pool and the Blinebry Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard gas

proration unit in the Tubb Gas Pool and Blinebry Gas Pool consisting of the E/2 W/2 of Section 32, Township 22 South, Range 38 East, Lea County, New Mexico, said units to be dedicated to the applicant's dually completed State "P" No. 1 Well located 1980 feet from the North line and 1980 feet from the West line of said Section 32.

CASE 1349:

Application of Continental Oil Company for an order approving a 320-acre non-standard gas proration unit in the Eumont Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the E/2 of Section 15, Township 21 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's State D-15 No. 8 Well located 660 feet from the South line and 660 feet from the East line of said Section 15.

CASE 1350:

Application of John J. Eisner for a non-standard gas proration unit in the Empire-Pennsylvanian Gas Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a non-standard gas proration unit in the Empire-Pennsylvanian Gas Pool consisting of the S/2 SE/4 of Section 20, and the N/2 NE/4 of Section 29, Township 17 South, Range 28 East, Eddy County, New Mexico, said unit to be dedicated to applicant's well to be drilled at a point 330 feet from the North line and 990 feet from the East line of said Section 29.

CASE 1351:

Application of Amerada Petroleum Corporation for approval of a 240-acre non-standard gas proration unit in the Eumont Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a 240-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the SE/4 of Section 34, and the N/2 SW/4 of Section 35, all in Township 20 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's L. W. White No. 1 Well located 660 feet from the South line and 660 feet from the East line of said Section 34.

JPW
EMPIRE STATES DRILLING CORPORATION

1020 SIMMS BUILDING

ALBUQUERQUE, NEW MEXICO

November 11, 1957

Re: Cases 1344 and 1345
Examiner Hearing
November 20, 1957

Oil Conservation Commission
Santa Fe
New Mexico

Gentlemen:

We would like to enter our request for approval of the above cases requesting non-standard units necessitated by non-standard sections.

As a partial interest owner in the units specified in each of these cases, we have studied the proposal as prepared by the operator, Pan American Petroleum, and believe them to be fair and equitable.

Very truly yours,

EMPIRE STATES DRILLING CORP.

John P. Wiedemer
John P. Wiedemer

JPW/pg

cc: Mr. C. L. Kelly
Pan American Petroleum Corp.

Case 1344

PAN AMERICAN PETROLEUM CORPORATION

Roswell, New Mexico
October 14, 1957

MAIN OFFICE OCC

File: S-164-986.510.1

1957 OCT 15 AM 8:00

Subject: Non-Standard Proration Units
Blanco Mesaverde Field

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

Attention: Mr. A. L. Porter, Jr.
Gentlemen:

Transmitted herewith are three separate applications for an Examiner Hearing for the purpose of obtaining Orders approving formation of non-standard proration units in the Blanco Mesaverde field.

The non-standard units are necessitated by the existence of non-standard sections along the western boundary of T-29-N, R-9-W, San Juan County. As can be noted on the plat attached to the separate applications, the three units will be located in close proximity to each other and all are requested on the same basis. It is therefore requested that you place these three applications on the same docket so that they can be processed together. Formation of the three units as proposed will complete development of the acreage in the correction strip in this locality as the proposed units will tie in to existing units to the north and south.

In view of the expiring acreage for one of the units, it is requested that the hearing be set as soon as possible after the first of November.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION

[Signature]
C. L. Kelley
District Superintendent

Attachment

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

December 26, 1957

C
O
P
Y

Mr. Guy Buell
Pan American Petroleum Corp.
P.O. Box 1410
Fort Worth, Texas

Dear Sir:

We enclose a copy of each of the following orders issued
December 18, 1957, by the Oil Conservation Commission:

Order R-1096 in Case 1344
Order R-1097 in Case 1345
Order R-1098 in Case 1346

These cases were heard on November 20th at Santa Fe.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

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
CONSIDERING:

CASE NO. 1344
Order No. R-1096

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR A NON-STANDARD GAS
PRORATION UNIT AND AN UNORTHODOX GAS
WELL LOCATION IN THE BLANCO MESAVARDE
GAS POOL IN SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 20, 1957, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 18th day of December, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, proposes the establishment of a 331-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the S/2 S/2 N/2 and the E/2 of Section 18, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico.

(3) That the owners of all leases included in the proposed unit have verbally agreed to communitize their interests.

(4) That the applicant proposes to dedicate the above-described unit to a well to be drilled to the Blanco Mesaverde Gas Pool at a point 1820 feet from the South line and 1850 feet from the East line of said Section 18.

(5) That approval of the subject application will not cause waste nor impair correlative rights.

(6) That the subject application should be approved contingent upon receipt by the Commission of proof of communitization of the above-described non-standard gas proration unit.

IT IS THEREFORE ORDERED:

(1) That a 331-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the S/2 S/2 N/2 and the S/2 of Section 18, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico, be and the same is hereby established.

(2) That the applicant, Pan American Petroleum Corporation, be and the same is hereby authorized to drill a gas well to the Blanco Mesaverde Gas Pool on an unorthodox location at a point 1820 feet from the South line and 1850 feet from the East line of said Section 18, said well to be assigned to the above-described non-standard gas proration unit.

(3) That the above-described well be granted an acreage factor for allowable purposes in the Blanco Mesaverde Gas Pool in the proportion that the acreage in the above-described unit bears to the acreage in a standard gas proration unit for the Blanco Mesaverde Gas Pool, subject to the provisions of Rule 9 of the Special Rules and Regulations for the Blanco Mesaverde Gas Pool as set forth in Order R-128-D.

(4) That the provisions of Paragraphs 1, 2, and 3 above shall be contingent upon receipt by the Commission of proof of formal communitization of the above-described non-standard gas proration unit.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



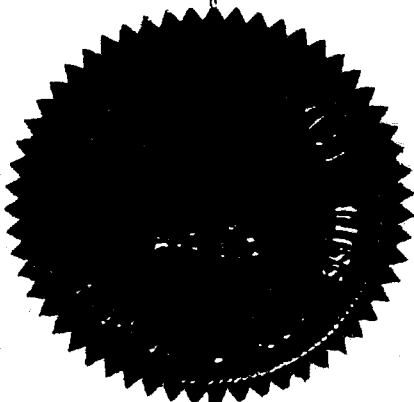
EDWIN L. MECHEM, Chairman



MURRAY E. MORRIAN, Member



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



PAN AMERICAN PETROLEUM CORPORATION

Roswell, New Mexico
October 10, 1957

File: S-161-986.510.1

Subject: Non-Standard Proration Unit
Blanco Mesaverde Pool

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

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Pan American Petroleum Corporation respectfully requests an Examiner Hearing for the purpose of obtaining an order approving formation of a non-standard proration unit with its associated well location in the Blanco Mesaverde Field in exception to NMOCC Order No. R-110 dated November 9, 1951. The non-standard unit is necessary due to the existence of non-standard section along the western boundary of T-29-N, R-9-W, San Juan County, New Mexico. Simultaneous approval of the proposed well location is requested since by definition, an orthodox location is difficult to obtain in a non-standard unit.

The attached plat of a portion of the Blanco Mesaverde Field shows the proposed well location with the non-standard unit outlined in red. The acreage that will be included in the unit covers the south half of the south half of the north half and the south half of Correction Section 18 and includes 330.98 acres. On the plat, the outlines of two additional non-standard units are shown. By separate applications exceptions are being sought for these two proposed units.

Owners of the remaining leases that will be included in the subject unit and two proposed non-standard units immediately to the south have advised that they have no objection to development of the involved acreage by these necessarily oversize units. Since the area to be so developed is offset to the north and south by Mesaverde completions, it is reasonable to conclude that the entire area is reasonably proven capable of Mesaverde production.

See hearing
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11-6-57 BP
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NEW MEXICO OIL CONSERVATION COMMISSION

New Mexico Oil Conservation Commission
Page Two
October 10, 1957

We anticipate no difficulty in obtaining a satisfactory communitization agreement for the involved leases since all owners of leases to be included in the proposed unit have verbally agreed to join in the proposed non-standard unit.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION



C. L. Kelley
District Superintendent

Attachment

