

Case No.

1346

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Application, Transcript,  
Small Exhibits, Etc.

CASE 1346: Pan American Petr. Corp. application for 408-acre NS gas proration unit & unorthodox gas well location, Blanco-Mesa-verde Gas Pool.

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

December 26, 1957

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

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Encls.

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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. 1346  
Order No. R-1098

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.

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 18<sup>th</sup> 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 for 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, 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 990 feet from the North line and 1630 feet from the East line of said Section 30.

(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.

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Case No. 1346  
Order No. R-1098

IT IS THEREFORE ORDERED:

(1) That 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, 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 in the Blanco Mesaverde Gas Pool on an unorthodox location at a point 990 feet from the North line and 1650 feet from the East line of said Section 30, 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.

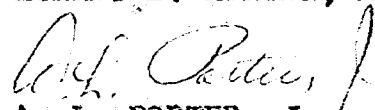
(4) That the provisions of Paragraphs 1, 2, and 3 above shall be contingent upon receipt by the Commission of proof of formal communitization of the above-described non-standard gas proration unit.

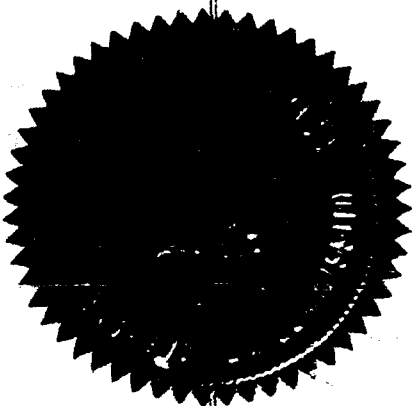
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
EDWIN L. MECHEM, Chairman

  
MURRAY E. MORGAN, Member

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



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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.

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 11-21-57

CASE 1346

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. The well location should be approved because the bore requested on NSL. However the location is ~~ld.~~ in accordance with R-110, 2. (c).
  2. The Berk Gas unit well, shall be located - 990' N, 1650' E lines of section 30-29N-9W.
  3. The Hon. Std. Mesquite gas unit ~~well~~ shall consist of the  $\frac{5}{2} \frac{5}{2}$  of section 19 and the  $\frac{N}{2}$  of section 30-29N-9W, 407.56 Acres and shall be assigned an acreage factor of 1.27 for Protraction Purposes.

Note: Emergency approved this in telephone conference  
7 11:00 A M 11-21-57.

Elmer A. McP  
Staff Member

Encl 1346

PAN AMERICAN PETROLEUM CORPORATION

Roswell, New Mexico  
October 14, 1957

File: S-164-986.510.1

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:

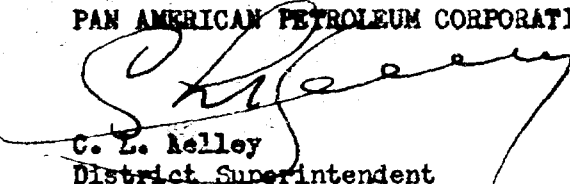
Transmitted herewith are three separate applications for an Examiner Hearing for the purpose of obtaining Orders approving formation of non-standard proration units in the Blanco Mesaverde field.

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

  
C. L. Kelley  
District Superintendent

Attachment

COPY

Case 1346

**PAN AMERICAN PETROLEUM CORPORATION**Roswell, New Mexico  
October 10, 1957

File: S-162-986.510.1

Subject: Non-Standard Proration Unit  
Blanco Mesaverde PoolNew 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 NMOC 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 Correction Section 19 and the north half of Section 30 and includes 407.56 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 north 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.

1957 OCT 15 AM 8:00

MAIN OFFICE OCC


Docket mailed  
11-6-57 B P

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

