

Case No.

1347

Application, Transcript,
Small Exhibits, Etc.

CASE 1347: Pan American Petr. Corp. applica-
tion for NS gas proration unit, Tubb Gas Pool
(State "S" #3 Well)

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

IN THE MATTER OF
CASE NO. 1347

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 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 NO.
1347

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: The hearing will come to order. Next case on the docket will be Case 1347.

MR. COOLEY: Application of Pan American Petroleum Corporation for approval of a non-standard gas proration unit in the Tubb Gas Pool, Lea County, New Mexico.

MR. BUELL: May it please the Examiner, at this time for Pan American Petroleum Corporation, I would like to enter appearances for C. L. Kelley, Dan R. Currens, and Guy Buell.

We would like to call as our first witness Mr. Currens.

MR. COOLEY: Is he the only witness?

MR. BUELL: Yes.

(Witness sworn)

DANIEL R. CURRENS

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

DIRECT EXAMINATION

BY MR. BUELL:

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

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

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

Q Mr. Currens, you testified at previous Commission hearings and your qualifications as petroleum engineer are a matter of public record, is that correct? A That's correct.

MR. UTZ: The qualifications are acceptable.

Q Mr. Currens, have you prepared a plat which reflects the unit in question as well as the general area surrounding the unit in question?

A I have prepared such a plat.

MR. BUELL: May we offer such plat at this time as Pan Am-

erican's Exhibit No. 1?

MR. UTZ: It will be so identified.

Q Locate and describe the proposed unit in question, Mr. Curren.

A The proposed Tubb Gas unit in this application would consist of the W/2 of the W/2 of Section 32, Township 22 South, Range 38 East, being 160 acres in area, approximately.

Q Did you state whether or not that unit was bordered in a dashed-blue line and also bordered in solid red?

A I have not yet stated that. The unit, as outlined in this plat, Exhibit 1, is bordered in a dashed-blue line and in a solid red line.

Q Does that unit at this time have a well located on it completed in the Tubb Gas formation? A It does.

Q What is the status of that well?

A This well which is in the SW/4 of the NW/4 of Section 32, Pan American State "S" No. 3, is a dual completion in the Blinberry Oil Tubb Gas. It is encircled in red, as it is shown on Exhibit 1, and I might add that all other Tubb completions in this immediate area are also encircled in red.

Q At the present time, is any unit attributed to that Tubb well on your proposed unit?

A Yes, at this time the Pan American State "S" No. 3 has a non-standard unit which is 120 acres in area, this being the W/2 and the NE/4 of the NW/4 of Section 32.

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Q Why is the hearing necessary for approval of this unit?

A This unit is non-standard in shape.

Q Directing your attention to your Exhibit 1, Mr. Currens, is it possible at this time to form a standard unit?

A Formation of the standard unit which would be dedicated to this well would be the NW/4 of Section 32. In order to form this standard unit we would necessarily include acreage on which there is another Tubb completion, Tubb Gas completion.

Q What is this other Tubb Gas completion?

A This is Cities Service, State "P" No. 1, which is located in the SW/4 -- beg your pardon, SE/4 of the NW/4 of Section 32.

Q All right, sir. Since you mentioned that Cities Service well, at this time, what acreage, if any, is attributed to that well, or what acreage will be attributed to that well?

A On this same docket, Cities Service has an application for a non-standard proration unit in the Tubb Pool to consist of the E/2 of the W/2 of Section 32 to be dedicated to their State "P" No. 1.

Q Would you say that would be more or less of a companion case to this one?

A Yes, it would.

Q All right, sir, let me ask you this. In the event of Pan American's request on this proposed unit is approved, and also the Cities Service's request, which will come up later, is approved, in that event, will that take care of all the acreage in the W/2 of Section 32?

A Yes, that would fully develop the W/2 of Section 32 for Tubb Gas.

Q I believe you stated that in your opinion it is impossible to utilize the two present Tubb Gas completions in the W/2 of Section 32 and form standard units? A That is correct.

Q In other words, you would have to abandon one of the presently completed Tubb Gas Wells and drill another well in the southern portion of the W/2 of Section 32? A That is correct.

Q Let me ask you this. Assume now that you abandon one of the present Tubb completions and drill a well in the S/2 of the W/2 of Section 32, would the two wells, one located in the S/2 and one on the N/2, would they recover more gas than the two present completions that exist today?

A Well, it is possible that if an additional well were drilled in the SW/4 of Section 32, that some additional gas could be recovered. However, there would be no significant increase in ultimate recovery in my opinion.

Q In your opinion, is it also possible that abandoning one of the present Tubb completions and drilling a new well on the S/2 might result in less ultimate gas recovery?

A Yes, I believe that is certainly a possibility. Perhaps I should elaborate on it.

Q Briefly state how that could occur in your opinion.

A Although there certainly is no question whatsoever in my mind that the entire acreage which would be encompassed by this proposed

unit is certainly productive of gas, I feel that there could be the possibility that a new well in the SW/4 might not make as good a well as the existing completions that we now have in the NW/4 in that a new well would be somewhat down structure. We have a good completion in our presently existing wells, and there is always the possibility that your completion will not be as good as that in this well.

Q In other words, you feel that it is entirely possible that the two present tubb completions, due to their structural location, might have a longer economic life and therefore recover more gas?

A I feel that is entirely possible that the present locations could well have a longer economic life than possibly a new well would have.

Q In view of that, then, you feel that no waste would result if the Oil Conservation Commission approves Pan American's proposed unit here today?

A No, I certainly think no waste would result.

Q In your opinion, would economic waste result if we are required to drill a well in the southern portion of the W/2 of Section 32?

A I think there is every possibility that there would be economic waste in that situation.

Q All right, sir, if the unit as proposed here today is approved by the Oil Conservation Commission, do you feel that the correlative rights of all interested parties will be adequately protected?

A I do.

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Q Now, Mr. Currens, let me ask you this. Have you made a study and evaluation of the general area in question here today with particular reference to whether or not all of the acreage in the proposed unit is productive? A I have.

Q As a result of that study, what is your opinion in that regard?

A Well, there is no question in my mind that we can consider all of the acreage in this proposed unit to be productive of Tubb Gas. I might elaborate a bit on that and state my basis for my opinion.

Q All right, sir.

A Referring to Exhibit 1, you will note that there is a trace of a contour, which is a contour on the Tubb Marker in this portion of the Tubb field; contour intervals being 25 feet. I direct your attention to a well in the SW/4 of the SE/4 of Section 29, Gulf's Watkins No. 1. Immediately above that well is the symbol "A". Now, if you will note its structural position and note the approximate structural position of the lowest point on our proposed unit, you will see that they are approximately the same. This Gulf's Watkins No. 1 Well is an existing Tubb completion. In fact, September production from this well was in excess of eleven thousand MCF.

Q Let me be sure I understand, Mr. Currens. You pointed out a well in the field, its structural position, that is currently producing from the Tubb Gas formation, and you stated that all of

the acreage in the produced unit is comparably located structurally or higher than this producing well, is that correct?

A Yes, that is correct. There are areas in this unit that are even higher than that well.

Q All right, sir. I notice also in your Exhibit 1, that there is a trace of a cross section. Did you prepare that cross section?

A Yes, I prepared such cross section showing "AA" prime on Exhibit 1.

MR. BUELL: May we offer at this time as Pan American's Exhibit 2 such cross section?

MR. UTZ: It will be so identified.

Q Briefly discuss Exhibit 2, Mr. Currens.

A Exhibit 2 is cross section composed of electric logs on five wells in this general area, all of which penetrated and were drilled through the Tubb horizon. The trace of this cross section shown on Exhibit 1 is a "AA" prime. The cross section includes two existing Tubb completions and three wells that are not existing Tubb completions.

Q Mr. Currens, from the standpoint of productive acreage in the proposed unit, what is the significance of Exhibit 2?

A Well, I think by looking at Exhibit 2 that we can see that these zones are easy to correlate from the Tubb marker and that we can see that there is a good continuity of structure in this general area; that the general development of this structure, as would be depicted on these logs, is very similar, and that in addition to

that, it further shows referring to the immediate left, the log on the immediate left of the Exhibit 2, Gulf's Watkins No. 1, and the log which is the next to the right, on Exhibit 2, which is Cities Service State "P" No. 2, which is indicated by a trace on Exhibit 1. We can see the majority of the acreage in the proposed unit is structurally higher than that existing Tubb completion the Gulf's Watkins No. 1.

Q Let me draw your attention to the Lyon Oil Company's Wyle No. 1 which, is the extreme right well on Exhibit 2, and also to its location on Exhibit 1. I believe it is represented by a symbol that represents a dry hole? A Yes, it is on Exhibit 1.

Q In your opinion, is that dry hole, Lyon Oil company's Wyle No. 1, indicative in any way that any portion of the proposed unit is non-productive?

A No, to me that certainly is no indication that any portion of our proposed unit would be non-productive. I simply included this log on the Lyon Oil Company's Wyle No. 1 so that we would have a trace completely through the southern portion of our proposed unit to show that the structure was continuous in that area and was uniform to a certain extent. As to indicating in any way that possibly we have non-productive acreage in our proposed unit, you will note from both Exhibit 2 and Exhibit 1, that the Lyon Oil Company's Wyle No. 1 is approximately 75 feet down structure. The structural difference is significant, and in addition that well is something less than, slightly less than half a mile from the southern-

most portion of our proposed unit.

Q Mr. Currens, directing your attention again to Exhibit No. 1, I notice that that exhibit reflects that the southern portion of the proposed unit is owned by Cities Service?

A Yes, it reflects that on this particular plat. However, we have entered into a communitization agreement -- pooling agreement with Cities Service Oil Company to pool this acreage in this non-standard unit.

Q In other words, the instrument to pool all the acreage in that proposed unit is already executed? A Yes, it is.

Q Who owns the royalty under all of the acreage in the proposed unit? A The State of New Mexico.

Q Have they been advised -- Has the State Land Commissioner been advised of this pooling or unitization agreement?

A They have been advised. In fact, I have here a letter from the State Land Commissioner stating that our communitization agreement meets their requirements.

MR. BUELL: In that connection, Mr. Examiner, may I offer at this time, as Pan American's Exhibit No. 3, a photostatic copy of such letter, which states that the only thing remaining to be done is to put the effective date on the agreement, which will be when production commences from a 160 acre unit allowable, which will, of course, be subsequent to the approval by the Commission of this non-standard unit.

MR. UTZ: You want to identify this as Exhibit No. 3?

MR. BUELL: Yes.

MR. UTZ: It will be so identified.

MR. BUELL: That concludes our direct, Mr. Examiner, and let me at this time formally offer Exhibits 1 through 3.

MR. UTZ: Is there objection to the introduction of Pan American's Exhibits 1, 2 and 3? If not, they will be so accepted.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Currens, the well to the north as well as the well to the south, of your Pan American State "S", can you tell me what zones they are completed in?

A The one to the north of State "S" No. 3 is a Drinkard well. The one to the south, Cities Service State "P" No. 3 is a Blinbry Oil Drinkard, Oil dual completion. I don't know whether that dual completion has been approved as yet or not. They had a hearing for that recently.

Q Have you produced your Pan American State "S" No. 1 yet?

A The No. 3 Well, sir? The Tubb well?

Q The Tubb Well that is dedicated to the W/2 of the W/2?

A Yes, sir, that's No. 3.

Q Is that No. 3?

A Yes, sir. No, sir, we have not produced that well as yet.

MR. UTZ: Are there any other questions of the witness?

MR. COOLEY: I have some questions.

MR. UTZ: Mr. Cooley.

BY MR. COOLEY:

Q Mr. Currens, I don't believe I completely understand the status of this communitization agreement. It hasn't yet been completely executed?

A It has been executed by the two operators.

Q By all working interest owners?

A By all working interest owners, yes.

Q And the only thing remaining to secure State approval, royalty owners approval, is setting the effective date?

A Yes, which, of course, will be subsequent to the issuance of the order allowing the non-standard unit.

Q There will be no necessity for making any approval contingent upon communitization since it has already been accomplished?

A No, sir, it has been accomplished.

MR. COOLEY:: That is all.

MR. UTZ: Mr. Nutter.

BY MR. NUTTER:

Q Mr. Currens, I am having a little bit of difficulty here trying to pick the top of the Tubb. I suppose one of the differences is due to the contours on the Tubb markers?

A Tubb marker.

Q You have the top of the Tubb formation depicted on these various wells?

A Yes, sir, those are scout tickets and so forth. The contour was prepared by me, as well as the cross section to the Tubb markers.

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Q Did you have any control for picking the top of it, or the Tubb marker, in the lower half of your exhibit, besides this one well which was drilled by Lyon Oil Company?

A There is control there, sir, in the two wells in the S/2 of Section 32.

Q Do both of those wells penetrate the Tubb formation?

A Yes, they do.

Q Do you have the top of Tubb on those wells?

A I do not have that top with me, sir.

Q Did you use any of the wells in Section 6 to help you draw this contour?

A Section 6?

Q 23 South?

A As I recall, there were two wells in that section that I used, sir.

Q How about Section 5? The Tubb?

A The Tubb and the Lyon Well, and, I believe, I likewise had the Tubb and the Wyle Western Well immediately south of the Lyon's Well. I am not positive of that, I am sure they are.

Q Do you know if any test was made of the Tubb formation in Cities Service's No. 2 Well which is on the Northwest of the Southwest of 32?

A To the best of my knowledge there was no test on the Tubb.

Q How about Pan American's Well in the Northeast of the Southwest of 32, was any Tubb test made there?

A Not to my knowledge, sir.

MR. NUTTER: I believe that's all.

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

BY MR. UTZ:

Q Mr. Currens, what is the lowest productive well, structurally lowest Tubb completion in this area that you know of?

A That would be the Gulf's Watkins No. 1 there, sir, which we previously discussed.

Q So somewhere between where the Watkins No. 1 was completed and the Lyon Wyle No. 1 there ends the productive intervals of the Tubb, is that correct?

A It would seem to be.

Q This entire unit is within the designated gas pool, Tubb Gas Pool?

A Yes, it is.

MR. UTZ: Any further questions? If there are none, the witness may be excused. Are there any statements to be made in this case?

MR. MOTTER: I am E. F. Motter, with Cities Service. We would like to urge the approval by the Commission of Pan American's application.

MR. UTZ: Any further statements. If not, the case will be taken under advisement.

C E R T I F I C A T E

STATE OF NEW MEXICO)
 : ss
 COUNTY OF BERNALILLO)

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.

J. A. Trujillo
 Notary Public

My Commission Expires:

October 5, 1960.

I do hereby certify that the foregoing is
 a complete and true copy of the proceedings in
 the E. J. ... 1347.
 ... 1957.
[Signature]
 ...
 New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 29, 1957

C
O
P
Y

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

Dear Sir:

We enclose a copy of Order R-1094 issued November 27, 1957,
by the Oil Conservation Commission in Case 1347, which was heard
on November 20th at Santa Fe.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encl.

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. 1347
Order No. R-1094

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR APPROVAL OF A NON-
STANDARD GAS PRORATION UNIT IN THE
TUBB GAS POOL, LEA 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 27th day of November, 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 Pan American Petroleum Corporation is the owner and operator of an oil and gas lease covering the W/2 NW/4 of Section 32, Township 22 South, Range 38 East, NMPL, Lea County, New Mexico, and that Cities Service Oil Company is the owner and operator of an oil and gas lease covering the W/2 SW/4 of said Section 32.

(3) That Pan American Petroleum Corporation is the owner and operator of the State "S" No. 3 Well located 1980 feet from the North line and 660 feet from the West line of said Section 32, which well is completed in the Tubb Gas Pool.

(4) That Pan American Petroleum Corporation and Cities Service Oil Company have agreed to communitize the above-described leases and that it is proposed that the W/2 W/2 of said Section 32 be established as a non-standard gas proration unit in the Tubb Gas Pool, said unit to be dedicated to the Pan American Petroleum Corporation State "S" Well No. 3 hereinabove described.

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Case No. 1347
Order No. R-1094

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

(6) That the subject application should be approved subject to proof of formal communitization of the proposed unit.

IT IS THEREFORE ORDERED:

(1) That 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, NMPM, Lea County, New Mexico, be and the same is hereby established, said unit to be dedicated to the Pan American Petroleum Corporation State "S" No. 3 Well, located 1990 feet from the North line and 660 feet from the West line of said Section 32.


(2) That the said State "S" No. 3 Well be assigned an allowable in the proportion that the acreage in the above-described unit bears to the acreage in a standard gas proration unit for the Tubb Gas Pool, subject to the provisions of Rule 8 of the Special Rules and Regulations for the Tubb Gas Pool as set forth in Order R-586, and subject further, to receipt by the Commission of proof of formal communitization of the above-described unit.

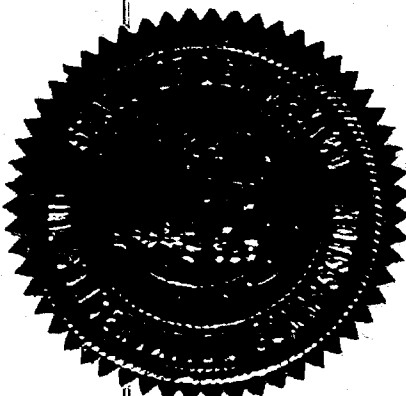
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

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

Hearing Date 11-20-57

CASE 1347

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

That the application be granted as requested
subject to proof of commutation and the
filing of C-110, C-109, C-128. Allowable for 160 Ac.
to be effective in accordance with the provisions
rules for this Subb. Blinby Gas Pool.
?

Note application is for Subb NSP only.
I believe that a portion of the unit is
already dedicated to a Blinby or Terry-
Blinby oil well. Rules prohibit dual
dedication.

wp

Frank W. [Signature]
Staff Member
[Signature]

Case 1347

PAN AMERICAN PETROLEUM CORPORATIONRoswell, New Mexico
October 22, 1957

File: S-169-986.510.1

Subject: Non-Standard Proration Unit
Tubb Gas 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 in the Tubb Gas Pool in exception to Rule 5 (a) of NMOCC Order R-586 dated April 11, 1955, to consist of the W/2 of the W/2 of Section 32, T-22-S, R-38-E. The requested non-standard proration unit consists of 160 acres to be dedicated to Pan American Petroleum Corporation's State "S" No. 3 which is located 1980' from the north line and 660' from the west line of the aforementioned Section 32. A plat which represents a portion of the Tubb Gas Pool is attached to show this well and all other known existing wells on this and adjacent acreage.

A communitization agreement between Pan American Petroleum Corporation and Cities Service Oil Company covering the above described acreage has been submitted to the State Land Office for approval. By letter of October 7, 1957, the State Land Office notified Pan American Petroleum Corporation that the communitization agreement met their requirements.

It is further requested that this case, if at all possible, be called before the same Examiner Hearing as that in which Cities Service Oil Company's application for a non-standard proration unit in the Tubb Gas Pool to consist of the E/2 of the W/2 of Section 32, T-22-S, R-38-E, will be heard. Pan American's well, a Blinbry oil and Tubb gas dual completion, is now assigned a 120 acre proration unit consisting of the W/2 of the NW/4 and the NE/4 of the NW/4 of the aforementioned Section 32. The NE/4 of this quarter section is included in the non-standard proration unit requested by Cities Service Oil Company's application.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION


C. L. Kelley
District Superintendent

Attachment

*Mrs. Khea has
copy of application
11-5-57
EP*

*Docket Mailed
11-6-57 B P*

Santa Fe, New Mexico



In reply refer to:
Unit Division

SA [redacted]
SANTA FE, NEW MEXICO
Pan American EXHIBIT No. 3
CASE 1397