



OIL CONSERVATION DIVISION
RECEIVED

'94 SEP 1 AM 8 50

Amoco Production Company

501 WestLake Park Boulevard
Post Office Box 3092
Houston, Texas 77253

August 25, 1994

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: W. J. Lemay, Director

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Application for Administrative Approval
Unorthodox Gas Well Location
South Mattix Unit Federal Well No. 44
Fowler-Paddock, Upper Pool
Lea County, New Mexico

Dear Mr. Lemay,

Amoco Production Company hereby makes application for administrative approval of an unorthodox gas well location under the provisions of Statewide Rule 104(F). Amoco plans to recomplete the subject well from the Fowler-Upper Yeso pool, where its current status is that of a shut in water injection well, to the Fowler-Paddock, Upper pool as a gas well.

Amoco hereby certifies that on this date, notice of this application was forwarded by certified mail to the operators offsetting this proration unit, as shown on the attached Offset Operator Report and accompanying plat. Also attached, please find a copy of our approved Sundry Notice (MMS Form 3160-5) for the recompletion of this well along with a corresponding Well Location and Acreage Dedication Plat (NMOCD Form C-102).

If you have any questions regarding this application, please contact Jack Ervin at (713) 366-3003 or myself at (713) 366-3744.

Sincerely yours,

Matt Wines
Business Analyst
Permian Basin Business Unit

cc: J. G. Ervin; WL1 - MC 18.116

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

OFFSET OPERATOR REPORT
SOUTH MATTIX WELL NO. 44
(FOWLER-PADDOCK FORMATION)
LEA COUNTY, NEW MEXICO
AUGUST 22, 1994

T-24-S, R-37-E, NMPM

SW/4 of Section 10

Arch Petroleum, Inc.
Fort Worth Club Tower, Penthouse II
Fort Worth, Texas 76102

SE/4 of Section 10

Apache Corporation
2000 Post Oak Blvd., Suite 100
Houston, Texas 77056

Conoco Inc.
P. O. Box 2197
Houston, Texas 77252

Chevron USA Inc.
P. O. Box 1150
Midland, Texas 79702

NW/4 SW/4 of Section 11

Dalport Oil Corporation
3471 First National Bank Building
Dallas, Texas 75202

NE/4 SW/4 of Section 11

Exxon Company USA
P. O. Box 1600
Midland, Texas 79702

S/2 SW/4 of Section 11

McCulloch Oil Corporation
2000 Classen Building, Suite 614-E
Oklahoma City, Oklahoma 73106

NW/4 of Section 14

Amerada Hess Corporation
P. O. Box 2040
Houston, Texas 77252

SW/4 of Section 14

Exxon Company USA
P. O. Box 1600
Midland, Texas 79702

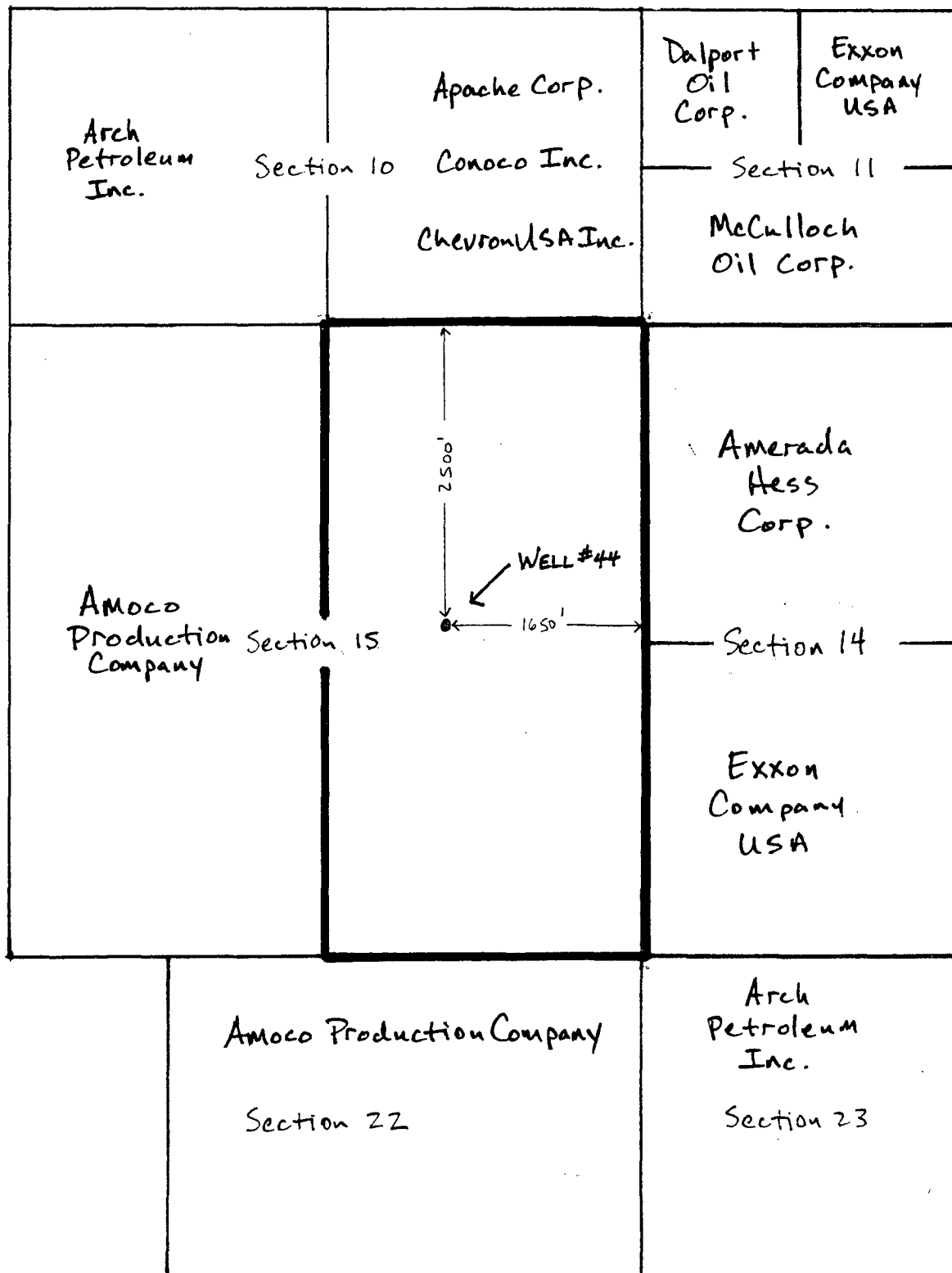
NW/4 of Section 23

Arch Petroleum, Inc.
Fort Worth Club Tower, Penthouse II
Fort Worth, Texas 76102

South Mattix Unit Federal #44

8/25/94

Fowler-Paddock, Upper Recombination



BLM-CARLSBAD

Form 3(60-5
(June 1990)

RECEIVED

UNITED STATES

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

RECEIVED

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.

NM 0321613

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Amoco Production Company

3. Address and Telephone No.

P.O. Box 3092 Houston, Tx 77253 (M.C. Wines; MC 18.110)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2500' FNL X 1650' FEL Sec 15, T-24S, R-37E

Unit Letter G

8. Well Name and No.

South Mattix Unit + Federal #4

9. API Well No.

30-025-31478

10. Field and Pool, or Exploratory Area

Fowler-Paddock, Upper

11. County or Parish, State

Lea, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒
- Notice of Intent
-
- ☐
- Subsequent Report
-
- ☐
- Final Abandonment Notice

TYPE OF ACTION

- ☐
- Abandonment
-
- ☒
- Recompletion
-
- ☒
- Plugging Back
-
- ☐
- Casing Repair
-
- ☐
- Altering Casing
-
- ☐
- Other

- ☐
- Change of Plans
-
- ☐
- New Construction
-
- ☐
- Non-Routine Fracturing
-
- ☐
- Water Shut-Off
-
- ☐
- Conversion to Injection
-
- ☐
- Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

* Recomplete well from the Fowler-Upper Yesso (Water Injector) to the Fowler-Paddock, Upper (Gas Well) as per the following procedure:

1. Kill well and pull Tbg X Pkr.
2. Run Bit and Scraper.
3. RIH and set CIBP at 5050' and cap w/ 35' cmt plug. Pressure test
4. Perf Upper Paddock 4873-4926' w/ 4 SPF.
5. RIH w/ Tbg X Pkr. Set Tbg end at 4870'.
6. Acidize w/ 2500-5000 gal 15% HCL at 1-2 BPM (Volume and rate are flexible - generally the rate should be as high as possible without the pressure exceeding any equipment limits). Displace w/ N2 to the perfs (estimate 100 mscf of N2 required and should result in a wellhead surface pressure of 2200 psi.).
7. Immediately flow back to clean up and test.

14. I hereby certify that the foregoing is true and correct

Signed

Matthew C. Wines

Title

Matthew C. Wines
Business Analyst

Date

6/8/94

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

See J. Lara

Title

PETROLEUM ENGINEER

Date

7/14/94

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See instruction on Reverse Side

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Amoco Production Company			Lease South Mattix Unit Federal		Well No. 44
Unit Letter G	Section 15	Township 24-S	Range 37-E	County Lea	
Actual Footage Location of Well: 2500 feet from the North line and 1650 feet from the East line					
Ground level Elev. 3238.8	Producing Formation Paddock, Upper		Pool Fowler-Paddock, Upper		Dedicated Acreage: 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

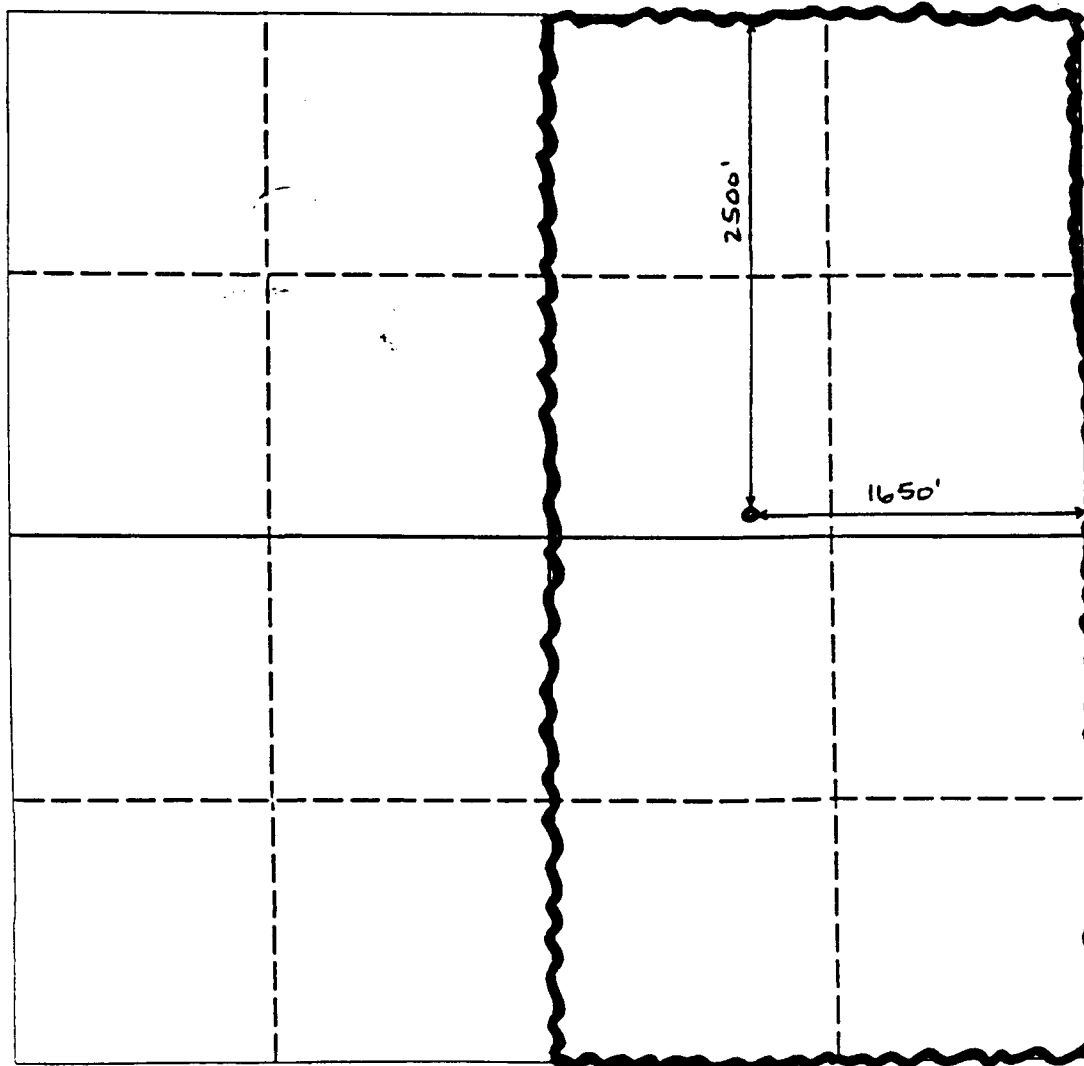
☒ Yes

☐ No

If answer is "yes" type of consolidation Unitization

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Matthew C. Wines
Printed Name
Matthew C. Wines
Position
Business Analyst
Company
Amoco Production Company
Date
6/8/94

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes or actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Signature & Seal of
Professional Surveyor

Certificate No.

FOWLER-UPPER YESO POOL
(South Mattix (Federal) Unit Waterflood Project)
Lea County, New Mexico

Order No. R-9623, Authorizing Amoco Production Company to Institute a Waterflood Project in the Fowler-Upper Yesso Pool, Lea County, New Mexico, January 8, 1992, as Amended by Order No. R-9623-A, January 8, 1992.

Application of Amoco Production Company for a Secondary Recovery Project, Lea County, New Mexico.

CASE NO. 10406
 Order No. R-9623

ORDER OF THE DIVISION

BY THE DIVISION: This cause came on for hearing at 8:15 a.m. on October 31, 1991 at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 8th day of January, 1992 the Division Director, having considered the testimony, the record and the recommendation of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant in this matter, Amoco Production Company (Amoco), is the operator of the South Mattix Unit Area which was initially approved June 1, 1948 and comprises 1000 acres, more or less, of federally-controlled lands underlying all of Section 15 and the NE/4, E/2 NW/4, N/2 SE/4 and the SE/4 SE/4 of Section 22, all in Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) The area comprising said unit is encompassed within the boundary of the Fowler-Upper Yesso Pool with its vertical limits established by Division Order No. R-3987, dated July 7, 1970, as being from the base of the Fowler-Upper Paddock Gas Pool to the top of the Fowler-Tubb Gas Pool.

(4) Amoco seeks authority to initiate a secondary recovery project within its South Mattix Unit Area by the injection of water into the Fowler-Upper Yesso Pool through the perforated interval from approximately 5200 feet to 5600 feet in seven certain wells to either be drilled or converted from producing wells to injectors as further described in Exhibit "A" attached hereto and made a part hereof.

(5) The current production in the South Mattix Unit Area from the fifteen wells completed in the Fowler-Upper Yesso Pool is 100 barrels of oil per day, which averages less than seven barrels per day per well, thereby classifying them as "stripper wells". The proposed injection project should therefore be labeled a waterflood project.

(6) To initially complete a modified twenty-five acre spot pattern, Amoco is requesting to drill its South Mattix Unit Well No. 40 to be utilized as a production well at an unorthodox oil well location 2373 feet from the South line and 2200 feet from the West line (Unit K) of said Section 15. The NE/4 SW/4 of said Section 15 of which said Well No. 40 would be dedicated is well within the unit area and should therefore be authorized.

(7) At the time of the hearing, the applicant demonstrated that an incremental secondary recovery of 733,000 barrels of oil could be obtained from the initial project, thereby resulting in the recovery of additional oil which would not otherwise be recovered and the waste of hydrocarbon resources would thereby be prevented.

(8) The operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape into other formations or onto the surface from injection, production or plugged and abandoned wells.

(9) Evidence presented at the hearing indicates one of the existing wells to be converted from a producing Fowler-Upper Yesso oil producing well to an injection well the South Mattix Unit Federal Well No. 21 located in Unit K of said Section 15, may not be completed in a manner that is sufficient to confine the injected fluids to the injection interval thereby possibly allowing the migration of such fluids to other formations.

(10) Injection into the proposed project area should be postponed until such time as a cement bond log is performed and evaluated on said South Mattix Unit Federal Well No. 21 and, if necessary, any needed remedial work is performed on this well to adequately assure that such injected fluids will be confined to the injection interval.

(11) The evidence presented at the time of the hearing also indicates that within the project's "area of review" there are two wells which may not be adequately cemented or plugged back in a manner adequate to confine the injected fluid to the proposed injection zone; these being Amoco's South Mattix Unit Federal Well Nos. 9 and 17 located, respectively, 660 feet from the North line and 1980 feet from the East line (Unit B), and 1980 feet from the North and East lines (Unit G), both in said Section 15.

(12) Prior to initiating injection within any of the seven proposed injection wells, Amoco should be required to demonstrate to the supervisor of the Division's Hobbs District Office that the South Mattix Unit Federal Well Nos. 9 and 17 have been completed and/or plugged back in such a manner as to ensure that they do not provide an avenue of escape for waters from the proposed injection zones.

(13) Also, should it be necessary, the applicant may be required to recomplete or plug-back said Well Nos. 9 and/or 17 in a manner which will assure that neither wellbore serves as a conduit for the migration of injected fluids and to the satisfaction of the supervisor of the Hobbs District Office of the Division.

(14) Once the supervisor of the Hobbs District Office of the Division is satisfied that all three of the aforementioned South Mattix Unit Federal Well Nos. 9, 17 and 21 are either shown to be currently completed or have undergone remedial work-over requirements to assure confinement of injection fluids, the applicant may then proceed with the proposed waterflood project as follows:

a) Injection into each well should be accomplished through plastic tubing installed in a packer set at approximately 100 feet above the uppermost perforated interval; the casing-tubing annulus should be filled with an inert fluid; and a pressure gauge or approved leak-detection device should be attached to the annulus in order to determine leaks in the casing, tubing or packer.

b) Prior to commencing injection operations, the casing of the subject well should be pressure-tested throughout the interval, from the surface down to the proposed packer-setting depth, to assure integrity of such casing.

c) The injection wells or injection pressurization system for each well should be so equipped as to limit injection pressure at the wellhead to no more than 1040 psi.

(15) The Director of the Division should be authorized to administratively approve an increase in the injection pressure upon a proper showing by the operator that such higher pressure will not result in migration of the injected waters from the Fowler-Upper Yesso Pool.

(16) The operator should give advance notification to the supervisor of the Hobbs District Office of the Division of the date and time of the installation of injection equipment and of the mechanical integrity pressure-test in order that the same may be witnessed.

(FOWLER-UPPER YESO (SOUTH MATTIX (FEDERAL) UNIT WATERFLOOD PROJECT) POOL - Cont'd.)

(17) The subject application should be approved and the project should be governed by the provisions of Rules 702 through 708 of the Division Rules and Regulations.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Amoco Production Company, is hereby authorized to institute a waterflood project on its South Mattix Unit by the injection of water into the Fowler-Upper Yeso Pool through the perforated interval from approximately 5200 feet to 5600 feet in seven certain wells to either be drilled or converted from producing oil wells to injectors, as further described in Exhibit "A" attached hereto and made a part hereof.

(2) The waterflood project, hereby designated the South Mattix (Federal) Unit Waterflood Project, shall be comprised of the following described area:

**SOUTH MATTIX (FEDERAL) UNIT WATERFLOOD PROJECT
AREA
LEA COUNTY, NEW MEXICO**

**TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 15: All
Section 22: NE/4, E/2 NW/4, N/2 SE/4 and SE/4 SE/4**

(3) The applicant shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production or plugged and abandoned wells.

IT IS FURTHER ORDERED HOWEVER THAT:

(4) Injection of water into said project area shall not commence until:

a) such time as a "cement bond log" is conducted and an evaluation is made on Amoco's South Mattix Unit (Federal) Well No. 21 located in Unit K of said Section 15 and, if needed, remedial work is performed, to adequately assure that injected fluids will be confined to the injection interval;

b) it shall be demonstrated by the applicant that both the South Mattix Unit Federal Well Nos. 9 and 17, (located, respectively, 660 feet from the North line and 1980 feet from the East line (Unit B), and 1980 feet from the North and East lines (Unit G), both in said Section 15) have been previously completed and/or plugged back in such a manner as to ensure that they do not provide an avenue for escape for waters from the injection interval; and,

c) should it be necessary, Well Nos. 9 and/or 17 shall be recompleted or plugged back in a manner which will assure that the respective wellbore serves as a conduit for the migration of injected fluids.

(5) All of the above-mentioned testing requirements, completion evaluations, remedial work-over operations and recompletions shall be to the satisfaction and/or recommendation of the supervisor of the Hobbs District Office of the Division.

IT IS FURTHER ORDERED THAT:

(6) Prior to commencing injection operations, the casing in the subject wells shall be pressure-tested to assure the integrity of such casing in a manner that is satisfactory to the supervisor of the Division's Hobbs District Office.

(7) Injection into each of said wells shall be accomplished through plastic-lined tubing installed in a packer set at approximately 100 feet above the uppermost perforated interval; the casing-tubing annulus of each well shall be filled with an inert fluid; and a pressure gauge shall be attached to the annulus or the annulus shall be equipped with an approved leak-detection device in order to determine leakage in the casing, tubing or packer on each well.

(8) The injection wells herein authorized and/or the injection pressurization system shall be equipped with a pressure-limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 1040 psi.

(9) The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Fowler-Upper Yeso Pool.

(10) The operator shall notify the supervisor of the Hobbs District Office of the Division in advance of the date and time of the installation of said injection equipment and of the mechanical integrity pressure-test in order that the same may be witnessed.

(11) The operator shall immediately notify the supervisor of the Division's Hobbs District Office of the failure of the tubing, casing or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

(12) (As Amended by Order No. R-9623-A, Effective January 8, 1992) The operator of the subject project shall conduct injection operations in accordance with the provisions of Rules 701 through 708 of the Division Rules and Regulations.

IT IS FURTHER ORDERED THAT:

(13) Amoco is hereby authorized to drill its South Mattix Unit (Federal) Well No. 40 to be utilized as a producing oil well in the Fowler-Upper Yeso Pool at an unorthodox oil well location 2373 feet from the South line and 2200 feet from the West line (Unit K) of said Section 15, the 40-acre tract comprising the NE/4 SW/4 of said Section 15 shall be dedicated to said well.

(14) Monthly progress reports of the waterflood project herein authorized shall be submitted to the Division in accordance with Rules 706 and 1115 of the Division Rules and Regulations.

(15) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

EXHIBIT "A"

**CASE NO. 10406
ORDER NO. R-9623**

**AMOCO PRODUCTION COMPANY
Proposed Injection Well Locations**

**South Mattix Unit
All in Section 15, Township 24 South, Range 37 East, NMPM,
Lea County, New Mexico**

Well No.	Footage: Location (Initially Planned)	Unit Letter	Classification
21	1873' FSL - 2087' FWL	K	Conversion
33	1650' FNL - 1650' FEL	G	Conversion
35	1650' FNL - 1650' FWL	F	Conversion
41	1650' FNL - 2524' FEL	G	New Drill
42	2450' FNL - 1600' FWL	F	New Drill
43	2500' FNL - 2524' FEL	G	New Drill
44	2500' FNL - 1650' FEL	G	New Drill

FOWLER-PADDOCK GAS POOL
Lea County, New Mexico

Order No. R-2426, Adopting Temporary Operating Rules for the Fowler-Paddock Gas Pool, Lea County, New Mexico, March 1, 1963.

Order No. R-2426-A, March 13, 1964, makes permanent the temporary rules adopted in Order No. R-2426.

Application of Pan American Petroleum Corporation for Special Pool Rules for the Fowler-Paddock Gas Pool and Approval of a Non-Standard Gas Unit, Lea County, New Mexico.

CASE NO. 2744
Order No. R-2426

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on January 23, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of February, 1963, 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, is the owner and operator of a well in the Fowler-Paddock Gas Pool, Lea County, New Mexico.

(3) That the applicant seeks the establishment of temporary special rules, including a provision for 320-acre spacing units in the Fowler-Paddock Gas Pool, Lea County, New Mexico.

(4) That the applicant further seeks approval of a non-standard unit comprising the NE/4, E/2 NW/4, and the N/2 SE/4 of Section 22, Township 24 South, Range 37 East, NMPM, Fowler-Paddock Gas Pool, Lea County, New Mexico.

(5) That temporary special rules and regulations establishing 320-acre spacing units should be promulgated for the subject pool in order to prevent the possibility of economic loss resulting from the drilling of unnecessary wells and in order to allow the operators in the subject pool to gather information concerning the reservoir characteristics of the pool.

(6) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(7) That the temporary special rules and regulations should be established for a one-year period and that during this one-year period all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(8) That the proposed non-standard unit should be approved and dedicated to the Pan American South Mattix Unit Well No. 11, located in Unit H of said Section 22.

(9) That this case should be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool should appear and show cause why the Fowler-Paddock Gas Pool should not be developed on 160-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That special rules and regulations for the Fowler-Paddock Gas Pool are hereby promulgated as follows, effective March 1, 1963.

**SPECIAL RULES AND REGULATIONS
FOR THE
FOWLER-PADDOCK GAS POOL**

RULE 1. Each well completed or recompleted in the Fowler-Paddock Gas Pool or in the Paddock formation within one mile of the Fowler-Paddock Gas Pool, and not nearer to or within the limits of another designated Paddock pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Fowler-Paddock Gas Pool shall be located on a standard unit containing 320 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental section.

RULE 3. The Secretary-Director shall have authority to grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey, or the following facts exist and the following provisions are complied with:

(a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.

(b) The non-standard unit lies wholly within a single governmental section and contains less acreage than a standard unit.

(c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which any part of the non-standard unit is situated and which acreage is not included in said non-standard unit.

(d) In lieu of Paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if, after a period of 30 days, no such operator has entered an objection to the formation of such non-standard unit.

RULE 4. Each well completed or recompleted in the Fowler-Paddock Gas Pool shall be located no nearer than 990 feet to the outer boundary of the quarter section and no nearer than 330 feet to any governmental quarter-quarter section line.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

IT IS FURTHER ORDERED:

(1) That a non-standard unit comprising the NE/4, E/2 NW/4, and the N/2 SE/4 of Section 22, Township 24 South, Range 37 East, NMPM, Fowler-Paddock Gas Pool, Lea County, New Mexico, is hereby approved and dedicated to the Pan American South Mattix Unit Well No. 11, located in Unit H of said Section 22. The operator shall file a Form C-128 showing the dedication of acreage with the Hobbs District Office on or before March 1, 1963.

(FOWLER-PADDOCK GAS POOL—Cont'd.)

(2) That any well presently drilling to or completed in the Paddock formation within the Fowler-Paddock Gas Pool or within one mile of the Fowler-Paddock Gas Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of Rule 4. The operator shall notify the Hobbs District Office in writing of the name and location of the well on or before March 1, 1963.

(3) That any operator desiring to dedicate 320 acres to a well presently drilling or completed in the Fowler-Paddock Gas Pool shall file a new Form C-128 with the Commission on or before March 1, 1963.

(4) That this case shall be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool may appear and show cause why the Fowler-Paddock Gas Pool should not be developed on 160-acre spacing units.

(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.

**FOWLER-TUBB GAS POOL
Lea County, New Mexico**

Order No. R-2425, Creating and Adopting Temporary Operating Rules for the Fowler-Tubb Gas Pool, Lea County, New Mexico, March 1, 1963.

Order No. R-2425-A, March 13, 1964, makes permanent the temporary rules adopted in Order No. R-2425.

Application of Pan American Petroleum Corporation for the creation of a Tubb Gas Pool, for approval of a Non-standard Gas Unit, and for Special Pool Rules, Lea County, New Mexico.

CASE NO. 2743
Order No. R-2425

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on January 23, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of February, 1963, 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, seeks the creation of a new pool for Tubb production and the promulgation of temporary special rules and regulations governing said pool, including a provision from 320-acre spacing units.

(3) That a new gas pool for Tubb production should be created and designated the Fowler-Tubb Gas Pool. This pool was discovered by the Pan American South Mattix Unit Well No. 14, located 1980 feet from the South line and 1980 feet from the West line of Section 15, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico. The well was completed July 16, 1962; the top of the perforations is at 5936 feet.

(4) That the applicant further seeks approval of a non-standard unit comprising the NE/4, E/2 NW/4, and the N/2 SE/4 of Section 22, Township 24 South, Range 37 East, NMPM, Fowler-Tubb Gas Pool, Lea County, New Mexico.

(5) That temporary special rules and regulations establishing 320-acre spacing units should be promulgated for the subject pool in order to prevent the possibility of economic loss resulting from the drilling of unnecessary wells and in order to allow the operators in the subject pool to gather information concerning the reservoir characteristics of the pool.

(6) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(7) That the temporary special rules and regulations should be established for a one-year period and that during this one-year period all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(8) That the proposed non-standard unit should be approved and dedicated to the Pan American South Mattix Unit Well No. 3, located in Unit B of said Section 22.

(9) That this case should be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool should appear and show cause why the Fowler-Tubb Gas Pool should not be developed on 160-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as a gas pool for Tubb production is hereby created and designated the Fowler-Tubb Gas Pool, consisting of the following-described area:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 15: All

(2) That special rules and regulations for the Fowler-Tubb Gas Pool are hereby promulgated as follows, effective March 1, 1963.

**SPECIAL RULES AND REGULATIONS
FOR THE
FOWLER-TUBB GAS POOL**

RULE 1. Each well completed or recompleted in the Fowler-Tubb Gas Pool or in the Tubb formation within one mile of the Fowler-Tubb Gas Pool, and not nearer to or within the limits of another designated Tubb pool, shall be spaced, drilled, operated, and produced in accordance with the special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Fowler-Tubb Gas Pool shall be located on a standard unit containing 320 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental section.

RULE 3. The Secretary-Director may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey, or the following facts exist and the following provisions are complied with:



OIL CONSERVATION DIVISION
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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
'94 SEP 9 AM 8 50
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
DHC _____
NSL X _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Amoco Production Co South Mattix Unit Federal #4-F 15-24-37
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

/ed