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W. P. MARSHALL, PRESIDENT

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OIL CONSERVATION COMMISSION=

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STATE OF NEW MEXICO SANTA FE NMEX=

ATTN A L PORTER JR IN REGARD TO CASE 1669 SCHEDULED FOR HEARING ON MAY 17 1961 GULF OIL CORP URGES THE COMMISSION TO CONTINUE IN EFFECT THE SPECIAL RULES AND REGULATIONS FOR THE ATOKA PENNSYLVANIAN GAS POOL EDDY COUNTY NEW MEXICO=

GULF OIL CORP W A SHELLSHEAR ...

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

ATWOOD & MALONE

LAWYERS ,.

JEFF D.ATWOOD (1883-1960)
ROSS L.MALONE
CHARLES F.MALONE
E.KIRK NEWMAN
RUSSELL D. MANN
PAUL A.COOTER
BOB F.TURNER

TELEPHONE MAIN 2-6221
ROSWELL PETROLEUM BUILDING
ROSWELL, NEW MEXICO

May 11, 1961

Oil Conservation Commission Post Office Box 871 Santa Fe, New Mexico

> Re: Case No. 1669 in the matter of the hearing called by the Oil Conservation Commission to show cause why the rules and regulations in effect in the Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, should be continued.

Gentlemen:

We are local counsel for Pan American Petroleum Corporation and as such wish to enter our appearance in the captioned case. Pan American will also be represented by Guy Buell, a member of the Texas Bar, and a company employee. The actual presentation for Pan American will be made by Mr. Buell

Very truly yours,

ATWOOD & MALONE

By: Ekink Newman

EKN:ps

cc/

Mr. Guy Buell Mr. J. K. Smith

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE. NEW MEXICO

May 25, 1960

Mr. Kirk Newman Atwood & Malone P. O. Box 867 Roswell, New Mexico

Dear Mr. Newman:

On behalf of your client, Pan American Petroleum Corporation, we enclose a copy of Order R-1417-A in Case 1669 issued by the Oil Conservation Commission this date.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

1r/

Carbon copy of Order R-1417-A sent to:

Mr. Guy Buell Box 1410 - Ft. Worth, Texas

Mr. Terrell Couch Ohio Oil Company P. O. Box 3128 Houston 1, Texas

Oil Conservation Commission: Hobbs and Artesia, N. Mex.

Mr. Jason Kellahin

Santa Fe, New Mexico

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

ALEX CLARKE, JR.

DIVISION ENGINEER

FORT WORTH, TEXAS

March 25, 1959

File:

GWK-4002-986-510-1

Subject:

Request for Hearing

Atoka Pennsylvanian Gas Pool

Eddy County, New Mexico

New Mexico Oil Conservation Commission Capitol Annex Building Santa Fe, New Mexico

Gentlemen:

It is respectfully requested that a hearing be docketed at the next regular Commission hearing to consider the application of Pan American Petroleum Corporation for adoption of temporary 320 acre spacing rules for the Atoka Pennsylvanian Gas Pool of Eddy County, New Mexico. Well locations to be requested at this hearing will be 990' from the outer boundary of either the northwest or southeast quarter of a regular governmental section, subject to a variation of 200' for topographic conditions.

Very truly yours,

RVC:11

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NEW MEXICO OIL CONSERVATION COMMISSION=

PO BOX 871 SANTA FE NMEX=

RE CASE NO. 1669 ATOKA PENN POOL AS OPERATORS IN THE POOL WE CONCUR WITH PAN AMERICAN'S RECOMMENDATION FOR CONTINUANCE OF 320 ACRE SPACING=

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STATE CAPITOL BLDG SANTA FE NMEX=

GULF OIL CORPORATION WISHES TO SUBMIT THE FOLLOWING.

GULF DOES NOT HAVE ANY PRODUCING PROPERTIES IN THE

ATOKA-PENNSYLVANIAN GAS POOL AT THIS TIME BUT WE BELIEVE
THAT SEVERAL OF OUT LEASES WILL BE PRODUCTIVE FROM THIS
POOL. WE FEEL THAT ONE WELL WILL DRAIN IN EXCESS OF 160

ACRES AND THAT PRECAUTIONS SHOULD BE TAKEN TO PREVENT

UNNECESSARY DRILLING. WE THEREFORE RECOMMEND THAT THE
COMMISSION ADOPT A STANDARD 320 ACRE PRORATION SNIT OR

GGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

BUCK

RE: Order # R-1417 - Temporary Special Rules for Atoka - Pennsylvania Gas Pools

Mr. A. L. Porter, Jr., State Geologist P. O. Box 871 Santa Fe, New Mexico

Dear Mr. Porter:

It has come to our attention that some of the companies are requesting the gas spacing be set at 320 acres. It is our understanding the present spacing is set at 320 acres on a temporary basis. It is our further understanding that one of the matters considered at the time this was made a temporary order was the ability of the wells to drain 320 acres after pipeline connections have been made and after some period of tests have been taken.

We the undersigned, as mineral owners in the area involved, hereby petition that this matter be seriously considered to the end that the present temporary order setting the spacing at 320 acres be continued as a temporary order and not be made permanent. The reason we request this is that after pipeline connection is available and the wells have produced a reasonable time the facts then might reveal that 160 acres would be necessary to properly drain, in which instance it would therefore be economically feasible for the various companies involved to drill on 160 acre basis. At said time if the facts revealed from the standpoint of economics, it would be economically proper to retain the 320 acre spacing, we feel this would be the time to make the ruling permanent.

We sincerely request your serious consideration of this matter.

Yours sincerely,

Marke A. Harting. Manne R. Martin Manne A. Hard Velma O. Beard



DRILLING COMPANY, INC.

OIL PRODUCTION AND DRILLING

EMERY CARPER, PRESIDENT STANLEY CARPER, EXEC. VICE-PRES. & TREAS. MARSHALL ROWLEY, VICE-PRES. FRANCES BOOKER, SECRETARY NELLE MILLER, ASST. TREAS.

ARTESIA, NEW MEXICO CARPER BUILDING SHERWOOD 6-2784 SHERWOOD 6-2785

Capie

May 16, 1960

Oil Conservation Commission State of New Mexico Santa Fe, New Mexico

Attention: Mr. A. L. Porter

Carrie ho

Re: Case No. 1669 on May 18, 1960 Docket.

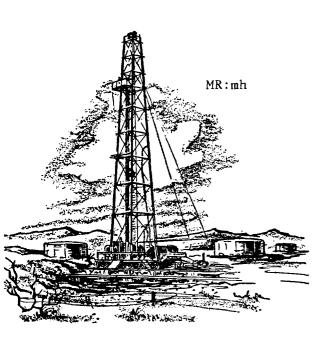
Gentlemen:

We concur with Pan American Petroleum Corporation's application to promulgate the special rules and regulations for the Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico to provide for 320 acre spacing as authorized on a temporary basis by order No. R-1417, dated June 5, 1960.

Yours very truly,

CARPER DRILLING COMPANY, INC.

Marshall Rowley Vice President





SINCLAIR OIL & GAS COMPANY

P.O. BOX 1470

MIDLAND, TEXAS

MUtual 3-2761

May 13, 1960

R L. ELSTON
VICE PRES. & DIVIS ON MANAGER

O G. SIMPSON
ASSISTANT DIVISION MANAGER

C S. TINKLER
DIVISION EXPLORATION SUPT.

J MEFFORD

DIVISION PRODUCTION SUPT

F. C. ROGERS
DIVISION GAS & GAS PRODUCTS SUPT.

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

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

Gentlemen:

Please refer to the application of Pan American Petroleum Corporation for the promulgation of special rules for the Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, Case No. 1669, scheduled for hearing May 18, 1960. It is our understanding that a gas connection has not been obtained for the wells in this field to date and that Pan American will request that the present temporary rules authorized by Order No. R-1417 dated June 5, 1959, be continued on a temporary basis for a period of one more year.

Sinclair Oil & Gas Company owns 160 acres within the productive limits of this field and joins with Pan American in requesting a one year continuance of the present temporary rules.

Yours very truly,

Joe Mefford

JM: FMA: mk

NIX & CURTIS

302 BOOKER BUILDING

RALPH NIX -

PHONE SH 6-2341

JERRY CURTIS

P. O. BOX 605 ARTESIA, NEW MEXICO

May 13, 1960

RE: Order # R-1417 - Temporary Special Rules for Atoka - Pennsylvania Gas Pools

Mr. A. L. Porter, Jr., State Geologist P. O. Box 871 Santa Fe, New Mexico

Dear Mr. Porter:

It has come to our attention that some of the companies are requesting the gas spacing be set at 320 acres. It is our understanding the present spacing is set at 320 acres on a temporary basis. It is our further understanding that one of the matters considered at the time this was made a temporary order was the ability of the wells to drain 320 acres after pipeline connections have been made and after some period of tests have been taken.

As mineral owners in the area, both leased and unleased, and as prospective participants, beth as to royalty and as to working interests, we are of the opinion the present temporary order should be continued until such time as some figures are available on which to base a permanent order. It may be after a reasonable production period the facts will reveal that it is economically unsound to drill these gas wells on a smaller unit. On the other hand the facts may reveal that it is economically proper to develop on a smaller unit and we therefore feel it would not be proper at this time to make the order permanent. We further feel there has been no development in the area that would change any facts or statistics to induce the proper authorities to change any past ruling at this time and that the reasons for the temporary ruling are as sound now as they were at the time of said ruling.

Trusting this letter will receive your consideration, we remain,

Yours respectfully,

NIX & CURTIS

Jerry Curtis

OIL CONSERVATION COMMISSION

P. O. BOX 871 SANTA FE, NEW MEXICO

June 5, 1959

Mr. Kirk Newman Atwood & Malone P. O. Box 867 Roswell, New Mexico

Dear Mr. Newman:

On behalf of your client, Pan American Petroleum Corporation, we enclose two copies of Order No. R-1417 issued June 5, 1959, by the Oil Conservation Commission in Case No. 1669.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

Enclosures



MALCO REFINERIES, INC.

P. O. Box 660

ROSWELL NEW MEXICO

Exploration and Production Division
Donald B. Anderson
vice president

DEPARTMENT HEADS
GEOLOGICAL PHIL D. HELMIG
LAND H. E. HARRINGTON
PRODUCTION J. R. MCMINN

May 8, 1959

State of New Mexico Oil and Gas Conservation Commission Capitol Building Santa Fe, New Mexico

Gentlemen:

Malco Refineries, Inc. owns leases in the vicinity of the Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico. We respectfully urge you to approve the application of Pan American Petroleum Corporation for an order for temporary 320 acre spacing in this gas pool.

We feel that one well will adequately drain much more than 320 acres. It is our considered opinion that 320 acre spacing in this gas pool is the absolute minimum spacing and will eliminate waste, protect correlative rights and will tend to make the pool more economical to develop and produce to its maximum areal extent.

Very truly yours,

MALCO REFINERIES, INC.

Donald B. Anderson

Vice President

DBA/ik

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=NEIL S WHITMORE OR ANY PAN AMERICAN ENGINEER=PM 10 52

NEW MEXICO OIL CONSERVATION COMMISSION SANTA

FE NMEX=

CONCUR WITH TEMPORARY 320 ACRE SPACING REQUESTED BY PAN AMERICAN IN ATOKA PENNSYLVANIAN GAS POOL EDDY COUNTY WOULD APPRECIATE HOUSING COMMISSION APPROVE SAID .

APPLICATION=

CARPER DRILLING CO INC MARSHALL ROWLEY=.

APPROPRIES TO APPROPRIEST STIGGESTIONS FROM ITS PATRO

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NEW MEXICO OIL CONSERVATION COMMISSION=

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ATTENTION PETE PORTER CONCUR WITH TEMPORARY 320 ACRE SPACING REQUESTED BY PAN AMERICAN IN ATOKA PENNSYLVANIAN GAS POOL EDDY COUNTY WOULD APPRECIATE HAVING COMMISSION APPROVE SAID APPLICATION=

CARPER DRILL CO INC MARSHALL ROWLEY= .

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

0 ta 1669

DEFORE THE
ONL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
AND HAM EXHIBIT NO.

CASE 1669

FOR THE ATOKA PENNSYLVANIAN GAS POOL

- RULE 1. Any well drilled a distance of one mile or more outside the boundary of the Atoka Pennsylvanian Gas Pool shall be classified as a wildcat well. Any well drilled less than one mile outside the boundary of the Atoka Pennsylvanian Gas Pool shall be spaced, drilled, and operated in accordance with the Rules and Regulations in effect in said Atoka Pennsylvanian Gas Pool provided said well is projected to and/or completed in the Atoka Pennsylvanian Gas Pool.
- RULE 2. (a) That each well drilled or recompleted in the Atoka
 Pennsylvanian Gas Pool shall be located in the northwest or southeast quarter
 section of a governmental section on a tract consisting of approximately 320
 acres comprising any two contiguous quarter sections of a single governmental
 section, being a legal subdivision of the United States Public Lands Survey.
- (b) The Secretary of the Commission shall have authority to grant an exception to Rule 2(a) without notice and hearing where application has been filed in due form and where the following facts exist and the following provisions are complied with.
- 1. The non-standard gas proration unit consists of contiguous quarter-quarter sections or lots.
- 2. The non-standard proration unit lies wholly within a single governmental section.
- 3. The entire non-standard gas proration unit may reasonably be presumed to be productive of gas.
- 4. The length or width of the non-standard gas proration unit does not exceed 5280 feet.
- 5. That 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 gas proration unit is situated and which acreage is not included in said non-standard gas proration unit.
- 6. In lieu of Paragraph 5 of this Rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered mail of his intent to form such non-standard gas proration unit. The Secretary of the Commission may approve the application, if, after a period of 30 days following the mailing of said notice, no operator has made objection to the formation of such non-standard gas proration unit.
- RULE 3. (a) That no well shall hereafter be drilled to or recompleted in the Atoka Pennsylvanian Gas Pool nearer than 990 feet to a quarter section line of a governmental section; provided, however, that a variation of 200 feet for topographic conditions will be permissible.

(b) The Secretary-Director of the Commission shall have authority to grant exception to the requirements of Rule 3(a) without notice and hearing where a verified application therefor has been filed in due form and the necessity for the unorthodox location is occasioned by the recompletion of a well previously drilled to another horizon.

Applicants shall furnish all operators within a 5280-foot radius of the subject well a copy of the application to the Commission, and applicant shall include with his application a list of names and addresses of all operators within such radius, together with a stipulation that proper notice has been given said operators at the addresses given. The Secretary-Director of the Commission shall wait at least 20 days before approving any such unorthodox locations, and shall approve such unorthodox location only in the absence of objection from any offset operators. In the event an operator objects to the unorthodox location the Commission shall consider the matter only after proper notice and hearing.

- RULE 4. Each gas purchaser in the Atoka Pennsylvanian Gas Pool shall take ratably from all wells producing from said common source of supply, apportioning its takes during any given calendar year among said wells on the basis of the acreage dedicated thereto.
- RULE 5. The monthly gas production from each well in the Atoka Pennsylvanian Gas Pool shall be metered separately and the gas production and associated liquid hydrocarbon production therefrom shall be reported to the Commission in accordance with the applicable Commission Rules and Regulations.
- RULE 6. Any well which was projected to or completed in the Atoka Pennsylvanian Gas Pool prior to the effective date of this order be and the same is hereby granted an exception to Rule 2(a) and Rule 3(a) of these Special Rules and Regulations.

ATOKA PENNSYLVANIAN GAS POCL EDDY COUNTY, NEW MEXICO

General Information

The Atoka Pennsylvanian Gas Pool was discovered by the completion of Standard Oil Company of Texas J. H. Everest No. 1, which is located 1980' FSL & 660' FWL of Section 14, T-18-S, R-26-E, Eddy County, New Mexico. This well was completed in October, 1957 with a calculated absolute open flow of 21,000 MCFD. While testing, the well also produced distillate with recoveries of 11 to 13 barrels per MMCF of gas. Production is from a coarse grained sand found at approximately 9100'. Three successful completions have been realized to date and one non-commercial well has been drilled. A market for this gas has not yet been developed and only relatively small volumes have been produced. This production has been primarily to furnish gas as rig fuel and for drilling other wells in the area.

Pertinent data for the individual wells are attached.

Structural Information

The sand body from which the Atoka Pennsylvanian Gas Pool produces is considered to be a continuous sand trending generally in a northeast-southwest direction. Production is considered to be from a stratigraphic trap in an area of porosity and/or permeability development. The dip of the sand is to the southeast in this area.

Characteristics of the Reservoir Rock and Fluids

The pay has been described on core analyses as a gray, coarse grained sand. Porosity and permeability of the pay in the section of the well where a full hole core was obtained averaged 9.5% and 51 Md., respectively. Log calculations support this porosity average. Distillate recoveries have been reported ranging from 11 to 17 barrels per MMCF of gas. The corrected gravity of the distillate is approximately 60° API.

Cumulative Production

The cumulative production from the three wells completed in the pool is as follows:

Operator and Well	MMCF	Bbls. Dist.
Standard Oil Company of Texas		
Everest No. 1	152	2,426
Martin No. 1	70	852
Pan American Petroleum Corporation		
Flint No. 1	0	0
Pool Total	222	3,278

Economics

The cost to drill and complete a well in the Atoka Pennsylvanian Gas Pool is estimated to be \$170,000. An additional investment of approximately \$8,000 will be required for surface equipment, such as storage tanks and a separator. Net return-on-investment using a 20-year well life is calculated to be 4.1 and 1.48 for 320-acre and 160-acre development, respectively.

STANDARD OF TEXAS-EVEREST NO. 1

1980' FSL & 660' FWL Section 14, T-18-S, R-26-E

TD: 10,546' PBD: 9,267' 7" CSA 9370'

Perf: 9079-9085'

9089-9093¹ 9095-9116¹

IPF: 3,472 MCF

38 Bbls. Dist.

24 Hrs. Natural

CACF: 21,000 MCFD

DST:

Interval: 9067-9130'
Open 1 Hr. GTS 2 Min.
Est. F 1,600 MCFD
Rec. 100' Dist. # 50' Mud
FP 3500-3675 psi
30 Min. SIP 3690 psi

DST of Perfs:

Open 29 Hrs. WBTS 5 Min. GTS 6 Min. F 3320 MCFD / 11 Bbls. Dist./MMCF For 24 Hrs. TP 2750 psi; 18/64" Choke F 6,140 MCFD / 13 Bbls. Dist./MMCF for 5 Hrs. TP 2350 psi; 24/64" Choke 45 Min. SIP 3750 psi

STANDARD OF TEXAS-MARTIN NO. 1

1650' FSL & 1980' FEL Section 15, T-18-S, R-26-E

TD: 9086'

5-1/2" CSA 9086' Perf 8966-9018'

Acid Wash w/500 Gal.

IPF: 5400 MCFD

Based on 4-Hr. Test

Dist. recovery not reported

CAOF: 43,000 MCFD

/ 17 Bbls. Dist./MMCF

No DST's

STANDARD OF TEXAS-PAUL TERRY, ET AL, UNIT NO. 1

1980' FNL & 1980' FWL Section 15, T-18-S, R-26-E

TD: 9100'

Plugged and Abandoned

DST's:

Interval: 8890-9100'

Packer failed

Interval: 8870-9100'

Open 1 Hr. 30 Min. GTS 12 Min.

Est. F 215 MCFD Recovered 430' GCM

FP 235 psi

1 Hr. SIP 3060 psi

Attempted fracture treatment 8494-9100' - Failed.

PAN AMERICAN-FLINT NO. 1

1980' FSL & 1980' FEL Section 22, T-18-S, R-26-E

TD: 9263'
PBD: 9155'
5-1/2" CSA 9263'
Perf 9094-9116'
IPF: 10,540 MCF
60 Bbls. Distillate
12 Hrs.
Natural

CAOF: 21,000 MCFD / 11 Bbls. Dist./MMCF

DST:

Interval 9072-9263'
Open 3-1/2 Hrs. GTS 2 min.
F 5860 MCFD / 2.75 Bbls. Dist./Hr.
Rec. 30' Mud / 150' Dist.
FP 3050 psi
90 Min. SIP 3735 psi

OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

	Date 11/159
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CASE NO. 1678	HEARING DATE MAY 30,1959
My recommendations for an order is as follows:	n the above numbered case(s) are
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South, Range -	De County,

Staff Member