

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2742
Order No. R-2424

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR TEMPORARY SPECIAL POOL
RULES FOR THE FOWLER-BLINEBRY OIL 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 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-Blinebry Oil Pool, Lea County, New Mexico.

(3) That the applicant seeks the establishment of temporary special rules, including a provision for 80-acre proration units in the Fowler-Blinebry Oil Pool, Lea County, New Mexico.

(4) That the evidence presently available establishes that one well in the Fowler-Blinebry Oil Pool can efficiently and economically drain 80 acres.

(5) That the evidence presented concerning the reservoir characteristics of the Fowler-Blinebry Oil Pool justifies the establishment of 80-acre oil proration units for a temporary one-year period in order to enable the operators in the subject pool to gather additional information concerning recoverable reserves and reservoir characteristics of the pool.

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(6) That during the one-year period in which this order will be in effect, all operators in the subject pool should gather all available information relative to drainage and recoverable reserves in the pool.

(7) That this case shall be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool should be prepared to appear and show cause why the Fowler-Blinebry Oil Pool should not be developed on 40-acre oil proration units.

IT IS THEREFORE ORDERED:

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

SPECIAL RULES AND REGULATIONS
FOR THE
FOWLER-BLINEBRY OIL POOL

RULE 1. Each well completed or recompleted in the Fowler-Blinebry Oil Pool or in the Blinebry formation within one mile of the Fowler-Blinebry Oil Pool, and not nearer to or within the limits of another designated Blinebry oil 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-Blinebry Oil Pool shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

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 comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit 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 formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well completed or recompleted in the Fowler-Blinebry Oil Pool shall be located within 150 feet of the center of either quarter-quarter section in the 80-acre unit.

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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.

RULE 6. A standard proration unit (79 through 81 acres) in the Fowler-Blinebry Oil Pool shall be assigned an 80-acre proportional factor of 2.33 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the Fowler-Blinebry Oil Pool as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the Blinebry formation within the Fowler-Blinebry Oil Pool or within one mile of the Fowler-Blinebry Oil 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.

(2) That any operator desiring to dedicate 80 acres to a well presently drilling or completed in the Fowler-Blinebry Oil Pool shall file a new Form C-128 with the Commission on or before March 1, 1963.

(3) 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-Blinebry Oil Pool should not be developed on 40-acre proration units.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

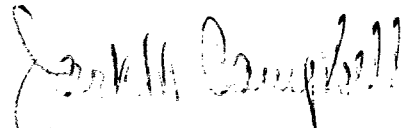
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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



JACK M. CAMPBELL, Chairman



E. S. WALKER, Member



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

