

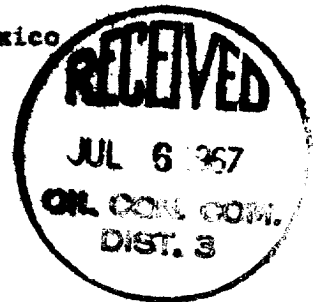
PAN AMERICAN PETROLEUM CORPORATION

501 Airport Drive, Farmington, New Mexico
July 5, 1967

File: E-135-986.510

Subject: Nonstandard Proration Unit for
Jicarilla Tribal 72 Well No. 1
Wildcat Field
Rio Arriba County, New Mexico

Mr. A. L. Porter, Jr. (3)
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico



Dear Sir:

Pan American Petroleum Corporation hereby makes application, pursuant to Rule 104, Section M, for a 58.3-acre nonstandard proration unit for its proposed Jicarilla Tribal 72 No. 1 well to be drilled in the southwestern portion of Section 6, T-23-N, R-3-W, Rio Arriba County, New Mexico. The proposed nonstandard unit will consist of the SW/4 SE/4 Section 6, and a lot 604' wide by 1320' long in the SE/4 SW/4 Section 6. A certified plat of the acreage involved is attached. This plat shows that Pan American Petroleum Corporation is the lessee of Sections 6 and 7, T-23-N, R-3-W, and Section 1, T-23-N, R-4-W, and that Section 12, T-23-N, R-4-W, is jointly owned by Pan American and Southern Union Production Company.

Southern Union is contributing an undivided half of their one-half interest in this lease to Pan American in return for the drilling of the well in Section 6, and has been requested to furnish you a waiver for this nonstandard unit.

The western tier of Sections in T-23-N, R-3-W, are less than standard width, and in the case of Section 6 the W/2 of this section is a strip only 604' wide. On account of terrain and geologic conditions, it is desirable to drill the well as far to the west in Section 6 as is possible pursuant to Rule 104. Inasmuch as there is no standard location in the lot containing approximately 18.3 acres, it is desired to pool this lot with the 40-acre tract being the SW/4 SE/4 in Section 6 to form an approximate 58.3-acre nonstandard proration unit. The proposed Jicarilla Tribal 72 Well No. 1 is to be a basement wildcat well with a projected total depth in excess of 13,000'.

In connection with this application, Pan American hereby states (1) the unnumbered lot and the SW/4 SE/4 Section 6 are contiguous; (2) they are part of the same basic lease and carry the same royalty interest; and (3) the ownership of the units involved is common.

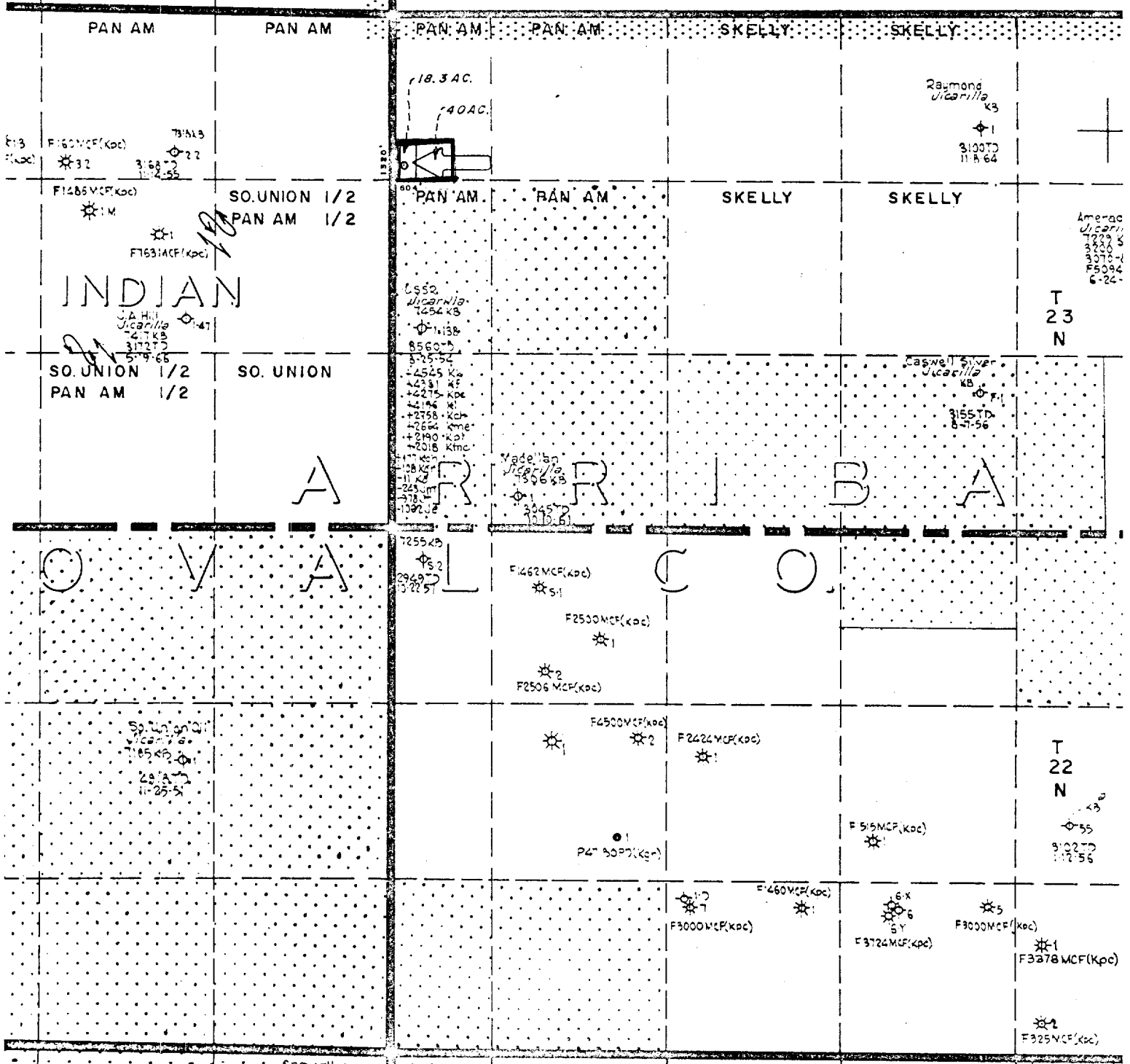
JICARILLA TRIBAL N° 72, WELL N° 1
Rio Arriba County, New Mexico

Signed C. J. Brown

Title Retiree's Engineer

Date July 3/1967

R. 3 W.



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In light of the above, Pan American respectfully requests administrative approval of this nonstandard proration unit pursuant to Rule 104, Section M.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION



L. O. Speer, Jr.
Area Superintendent

GWE:ep
Attachment

cc: Mr. E. C. Arnold ✓
New Mexico Oil Conservation Commission
Atec, New Mexico

Mr. L. S. Muennick
Southern Union Production Company
Fidelity Union Tower
Dallas, Texas 75201