

PAN AMERICAN PETROLEUM CORPORATION

Box 487, Farmington, New Mexico
October 30, 1957

File: B-2389-400.1

Subject: Request for Unorthodox Location
Haney Gas Unit No. 1
Astee-Pictured Cliffs Field

Mr. A. L. Porter (2)
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear Sir:

We are planning to drill the Haney Gas Unit No. 1, Astee-Pictured Cliffs Field, in the SW/4, Section 20, T-29-N, R-10-W, San Juan County, New Mexico. It will be necessary, however, to drill the well on this tract at an unorthodox location due the width of the San Juan River through the area.

It is respectfully requested that Pan American Petroleum Corporation be granted administrative exception to well location requirements to permit drilling the subject well at an unorthodox location. The well has been staked 820 feet from the South line and 700 feet from the West line of Section 20, T-29-N, R-10-W, to provide a drillsite on dry ground on the south bank of the river. A well location plat is attached for your information and to illustrate the need for drilling the well at the indicated unorthodox location.

The SW/4 of Section 20 has not yet been communitized. However, we are attaching a copy of a telegram from El Paso Natural Gas Company, who holds the lease on NW/4 SW/4 Section 20, giving their approval for Pan American to drill the unit well on a lease basis subject to later execution of suitable unit instruments. Pan American holds the balance of the leases in the 160-acre tract. Also, Pan American is the owner of the oil and gas lease in S/2 SE/4 Section 19, adjacent to the west of the unorthodox location, which is the only offset tract closer than 790 feet to the proposed well.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION

ORIGINAL SIGNED BY

L. O. Speer, Jr.

L. O. Speer, Jr.

Field Superintendent

RMB:ep

CC/Attach: Mr. E. C. Arnold

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NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

Date **October 29, 1957**

Operator **PAN AMERICAN PETROLEUM CORPORATION** Locality **HANKEY GAS UNIT**
 Well No. **1** Unit Letter **M** Section **20** Township **29 NORTH** Range **10 West**, NMPM
 Located **820** Feet From **the SOUTH** Line **700** Feet From **the WEST** Line
 County **SAN JUAN** G. L. Elevation ***** Dedicated Acreage **160** Acres
 Name of Producing Formation **Pictured Cliffs** Pool **Aztec-Pictured Cliffs**

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?

Yes No **X*****To be reported later.**

2. If the answer to question one is "no", have the interests of all the owners been consolidated by some written agreement or otherwise? Yes No **X If answer is "yes", Type of Consolidation.

3. If the answer to question two is "no", list all the owners and their respective interests below.

Owner

Land Description

**

NOTE: El Paso Natural Gas Company, who holds lease on NW/4 SW/4 Section 20, has given written approval to drill unit well on lease basis subject to execution of suitable unit instruments.

Section B.

Sec. Cor. Note: All distances must be from outer boundaries of section.
 Mkd. Stone

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

PAN AMERICAN PETROLEUM CORPORATION

(Operator)

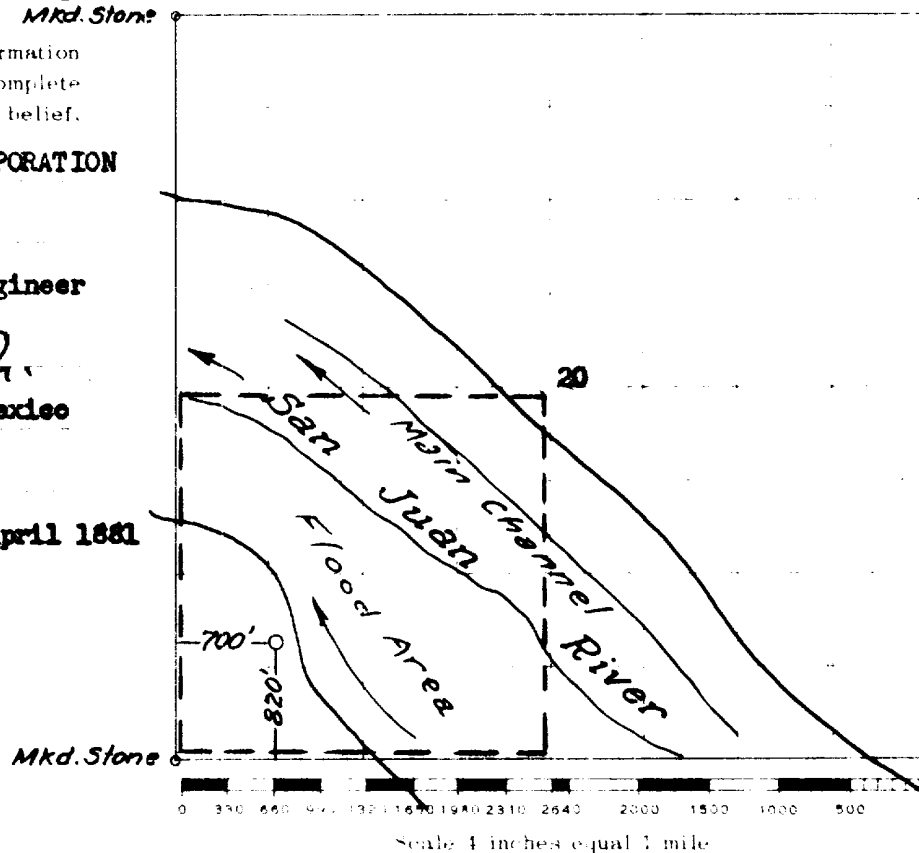
(Representative)

R. M. Bauer, Jr., Field Engineer

(Address)

*R. M. Bauer, Jr.***Box 487, Farmington, New Mexico**

Ref: GLO plat dated 19 April 1881



This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed

25 October 1957*James P. Lese***JAMES P. LEESE N. MEX. REG. No. 1463**

Farmington, N. M.

DOMESTIC SERVICE	
Check the class of service desired; otherwise the message will be sent as a full rate telegram	
FULL RATE TELEGRAM	
DAY LETTER	
NIGHT LETTER	

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WESTERN UNION

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise the message will be sent at the full rate	
FULL RATE	
LETTER TELEGRAM	
SHIP RADIOGRAM	

W. P. MARSHALL, PRESIDENT

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED

Send the following message, subject to the terms on back hereof, which are hereby agreed to.

COPY

COPY

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COPY

EL PASO, TEXAS
OCTOBER 23, 1957
1:30 p.m.

BEN R. KEE
PAN AMERICAN PETROLEUM CORP
P. O. BOX 1714
ALBUQUERQUE, NEW MEXICO

EL PASO AGREES TO YOUR DRILLING THE SW/4 SECTION 20, TOWNSHIP 29 NORTH,
RANGE 10 WEST, ON LEASE BASIS UNTIL COMMUNITIZATION AND OPERATING
AGREEMENTS PREPARED. LEASE INFORMATION WILL FOLLOW.

HARRY GEVERTZ,
EL PASO NATURAL GAS CO.

ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays, the sender of a message should order it repeated, that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeatable message rate is charged in addition. Unless otherwise indicated on its face, this is an unrepeatable message and paid for as such, in consideration whereof it is agreed between the sender of the message and the Telegraph Company as follows:

1. The Telegraph Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the unrepeatable message rate beyond the sum of five hundred dollars; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the repeated message rate beyond the sum of five thousand dollars, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of its lines.

2. In any event the Telegraph Company shall not be liable for damages for mistakes or delays in the transmission or delivery, or for the non-delivery, of any message, whether caused by the negligence of its servants or otherwise, beyond the actual loss, not exceeding in any event the sum of five thousand dollars, at which amount the sender of each message represents that the message is valued, unless a greater value is stated in writing by the sender thereof at the time the message is rendered for transmission, and unless the repeated-message rate is paid or agreed to be paid and an additional charge equal to one-tenth of one per cent of the amount by which such valuation shall exceed five thousand dollars.

3. The Telegraph Company is hereby made the agent of the sender, without liability, to forward this message over the lines of any other company when necessary to reach its destination.

4. The applicable tariff charges on a message destined to any point in the continental United States listed in the Telegraph Company's Directory of Stations cover its delivery within the established city or community limits of the destination point. Beyond such limits and to points not listed in the Telegraph Company's Directory of Stations, the Telegraph Company does not undertake to make delivery but will endeavor to arrange for delivery by any available means as the agent of the sender, with the understanding that the sender authorizes the collection of any additional charge from the addressee and agrees to pay such additional charge if it is not collected from the addressee.

5. No responsibility attaches to the Telegraph Company concerning messages until the same are accepted at one of its transmitting offices; and if a message is sent to such office by one of the Telegraph Company's messengers, he acts for that purpose as the agent of the sender; except that when the Telegraph Company sends a messenger to pick up a message, the messenger in that instance acts as the agent of the Telegraph Company in accepting the message, the Telegraph Company assuming responsibility from the time of such acceptance.

6. The Telegraph Company will not be liable for damages or statutory penalties when the claim is not presented in writing to the Telegraph Company, (a) within ninety days after the message is filed with the Telegraph Company for transmission in the case of a message between points within the United States (except in the case of an intrastate message in Texas) or between a point in the United States on the one hand and a point in Alaska, Canada, Mexico, or St. Pierre-Miquelon Islands on the other hand, or between a point in the United States and a ship at sea or in the air, (b) within 95 days after the cause of action, if any, shall have accrued in the case of an intrastate message in Texas, and (c) within 180 days after the message is filed with the Telegraph Company for transmission in the case of a message between a point in the United States and a foreign or overseas point other than the points specified above in this paragraph; provided, however, that this condition shall not apply to claims for damages or overcharges within the purview of Section 415 of the Communications Act of 1934, as amended.

7. It is agreed that in any action by the Telegraph Company to recover the tolls for any message or messages the prompt and correct transmission and delivery thereof shall be presumed, subject to rebuttal by competent evidence.

8. Special terms governing the transmission of messages according to their classes, as enumerated below, shall apply to messages in each of such respective classes in addition to all the foregoing terms.

9. No employee of the Telegraph Company is authorized to vary the foregoing.

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CLASSES OF SERVICE

DOMESTIC SERVICES

TELEGRAM

The fastest domestic service.

DAY LETTER (DL)

A deferred same-day service, at low rates.

NIGHT LETTER (NL)

Economical overnight service. Accepted up to 2 A. M. for delivery the following morning, at rates lower than the Telegram or Day Letter rates.

INTERNATIONAL SERVICES

FULL RATE (FR)

The fastest overseas service. May be written in code, cipher, or in any language expressed in Roman letters.

LETTER TELEGRAM (LT)

For overnight plain language messages, at half-rate. Minimum charge for 22 words applies.

SHIP RADIOGRAM

For messages to and from ships at sea.