



Amoco Production Company

Security Life Building
Denver, Colorado 80202

June 13, 1972

0-23-29-13

File: VDP-289-986.511

Mr. A. L. Porter, Jr. (3)
Secretary-Director and Geologist
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501



Dear Mr. Porter:

Re: Application for Allowable Transfer Within Gallegos
Canyon Unit, Basin Dakota Field, San Juan County,
New Mexico

Amoco is making arrangements to begin 90-day shut in and pressure buildup tests on Gallegos Canyon Unit Com "H" No. 180 and Unit Com "E" No. 161. ~~This test information, when compared to~~ recent bottom hole pressure surveys on various Basin Dakota wells, should prove beneficial in future reserve and reservoir performance studies.

These two Gallegos Canyon Unit wells have a combined allowable exceeding 30 MMCF per month. If transfer of allowable were permitted, no production would be lost since these tests will be run during the 'lower demand for gas' summer months.

As a follow-up to our phone conversation with Elvis Utz in early May pursuant to this matter, we request an Order be entered permitting Amoco, Gallegos Canyon Unit Operator, to transfer the allowables for three months from Unit Wells 161 and 180 to Unit Well No. 202 (refer to enclosed map). Unit Well No. 202 is capable of producing over 80 MMCF a month, is presently overproduced, and in March, 1972, produced only for one day. Unit No. 180 is 23,911 MCF overproduced through March, 1972, and Unit No. 161 is 26,913 underproduced for the same period. Several other wells in the Gallegos Canyon Unit could easily accept the transferred allowables if Unit Well No. 202 is unsuitable.

Yours very truly,

RBG:ka
Attachment

cc: See Attached List

cc: Mr. E. C. Arnold (2)
New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico 87410

United States Geological Survey
P. O. Box 965
Farmington, New Mexico 87401

United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201

T. J. Files
Building

L. O. Speer, Jr.
Farmington

VERIFICATION

STATE OF COLORADO)
 : SS
COUNTY OF DENVER)

R. B. GILES being first duly sworn upon oath deposes and says that he is employed in an engineering capacity by Amoco Production Company, that the foregoing application has been prepared under his supervision and direction, that he is familiar with the information contained in the application and that the matters and the things therein set forth are true and correct to the best of his knowledge and belief.

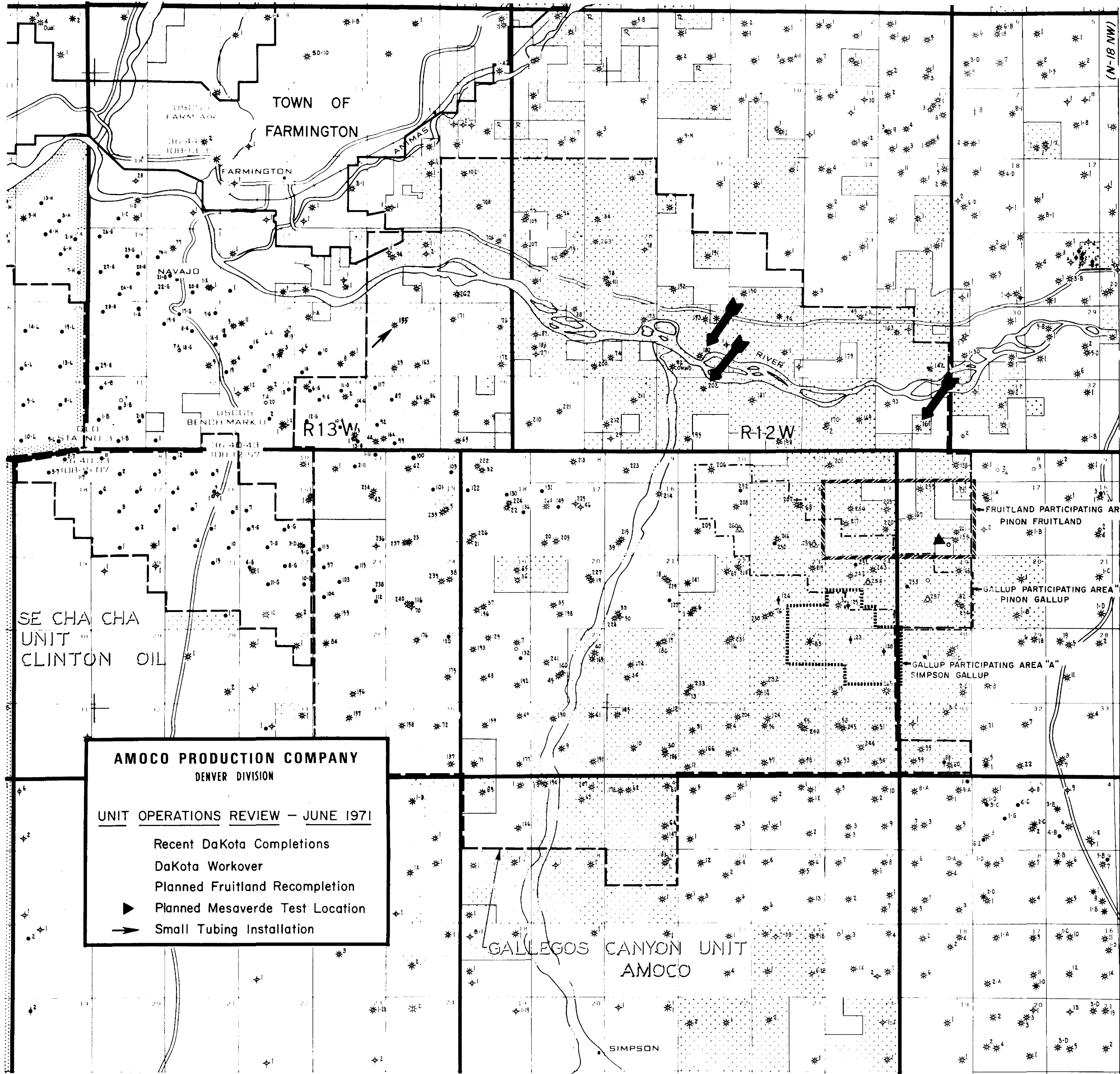
R. B. Giles
R. B. Giles

Subscribed and sworn to before me this 13th day of June, 1972.

Kathleen L. Allison
Notary Public

My Commission expires July 24, 1974.





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