

PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING
DENVER, COLORADO 80202

November 5, 1969

File: AMR-2085-986.511

Re: Unorthodox Well Location
U.S.G. Section 18, Well No. 32
Hogback-Dakota Pool
San Juan County, New Mexico

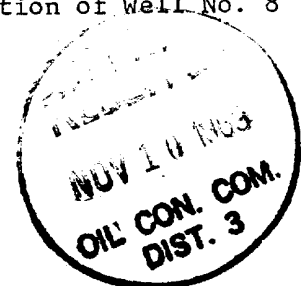
Mr. A. L. Porter, Jr. (3)
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

Pan American Petroleum Corporation respectfully request administrative approval to drill the U.S.G. Section 18, Well No. 32, a Hogback-Dakota Field well, at a location 185 feet from the south line and 2383 feet from the east line of Section 18, Township 29 North, Range 16 West, San Juan County, New Mexico. In accordance with the provisions of Rule 2 of the Hogback-Dakota Pool rules under Order No. R-3296, dated August 15, 1967, the proposed well would be located no nearer than 165 feet to the outer boundary of the quarter-quarter section on which it is located, but it is nearer than 300 feet to another well producing from the same pool.

A map of the Hogback-Dakota Pool and a copy of Form C-102 with the above well location indicated thereon are attached. As can be seen, Well No. 32 is located 182 feet from Well No. 8 and therefore is unorthodox. As Well No. 8 is not producing at top allowable rates and efforts to increase production by working over the well or installing pumping equipment have been unsuccessful, we would like to drill a second well in this proration unit to the southwest of Well No. 8, to supplement its production up to top allowable rates. As the location of Well No. 8 and the terrain in this area prohibits the use of an orthodox well location to the southwest of Well No. 8, we request approval of the location proposed above.

Rule 3 of the Hogback-Dakota Pool rules provides that the Secretary-Director of the Commission shall have authority to grant exceptions to Rule 2 without notice and hearing where an application therefore has been filed in due form and the necessity for the exception is based on topographical conditions. The proposed unorthodox well location is required due to the location of Well No. 8



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which was drilled in 1924, and to the location of the Chaco Wash and other topographical conditions. There are no operators owning acreage within 330 feet of the proposed location, but there is an operator having acreage that offsets the proration unit concerned. Copies of this application are being sent by certified mail to Mr. W. C. Imbt, Farmington, New Mexico, and it is requested that he waive any objections to the drilling of the proposed location.

A copy of this application is also being mailed to the United States Geological Survey, as representatives of the Navajo Indian Tribe who is the royalty interest owner. By copy of this letter, it is requested that the United States Geological Survey advise the Secretary-Director of the New Mexico Oil Conservation Commission if they approve of the drilling of the proposed unorthodox well location. "An Application for Permit to Drill, Deepen, or Plug-Back" has been filed by our Farmington, New Mexico office.

If no objections are received, we respectfully request that you approve the unorthodox location of the proposed U.S.G. Section 18, Well No. 32, Hogback Dakota Pool, San Juan County, New Mexico, without notice and hearing.

Very truly yours,

R. B. Giles
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Attachments

cc: Mr. W. C. Imbt (2)
210 West 38th Street
Farmington, New Mexico 87401

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

United States Geological Survey (2)
P. O. Box 965
Farmington, New Mexico

United States Geological Survey (2)
Drawer 1857
Roswell, New Mexico