

PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING
DENVER, COLORADO 80202



February 12, 1969

File: AMR-360-986.511

Re: Application of Pan American Petroleum Corporation
For Unorthodox Well Location, Gallegos Unit No. 238
Cha Cha Gallup Field, 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 requests your administrative approval of an unorthodox well location on its Gallegos Canyon Unit No. 238, Cha Cha Gallup Field, San Juan County, New Mexico. The subject well was originally drilled as a dry hole to the Basin Dakota formation and was an orthodox well location for this horizon, but the well will be re-entered for an attempted recompletion in the shallower Cha Cha Gallup interval of the Mancos formation.

The Commission's Rule 104 F (page 18 of Rules) grants the Secretary-Director of the Commission authority to approve an exception to the well location requirements "without notice and hearing when the necessity for such unorthodox location is based upon topographical conditions or the recompletion of a well previously drilled to another horizon, provided said well was drilled at an orthodox location for such original horizon."

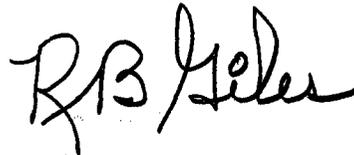
The Gallegos Canyon Unit No. 238 was originally drilled to a total depth of 6432' and a completion in the Basin Dakota intervals 6254'-72' and 6310'-30' was unsuccessful. As Operator of the Gallegos Canyon Unit, Pan American would like to re-enter this well and attempt a recompletion in the Cha Cha Gallup interval 5676'-84'.

As shown on the attached Forms C-102 (dated March 18, 1966), the Gallegos Canyon Unit No. 238 is located 2360' from the north line and 790' from the east line of Section 23, Township 28 North, Range 13 West, San Juan County, New Mexico, which is an orthodox location for a gas well in the Basin Dakota Field, but is an unorthodox location for an oil well in the Cha Cha Gallup Field due to being more than 150' from the center of the quarter-quarter of the section. At 2360' from the north line of Section 23, the well is 230' south of the limits for an orthodox location. However, as can be seen on the attached Exhibit "A", a map of the area of the well, all offsetting locations are within the boundary of the Gallegos Canyon Unit and approval to do this recompletion is being solicited from the Gallegos Canyon Unit Working Interest Owners concerned. The south offsetting Cha Cha Gallup Field well, the Gallegos Canyon Unit No. 112, has been temporarily abandoned.

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Therefore, we respectfully request that you approve the unorthodox location of the Gallegos Canyon Unit No. 238, Cha Cha Gallup Field, San Juan County, New Mexico, without notice and hearing.

Yours very truly,



Attachments

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

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

United States Geological Survey
Drawer 1857
Roswell, New Mexico

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the corner boundaries of the Section

Operator Pan American Petroleum Corporation			Lease Gallegos Canyon Unit		Well No. 238
Unit Letter H	Section 23	Township 28 North	Range 13 West	County San Juan	
Actual Footage Location of Well: 2360 feet from the North line and 790 feet from the East line					
Ground Level Elev. Report Later	Producing Formation Dakota	Pool Basin Dakota	Dedicated Acreage: 320		Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

(X) Yes () No If answer is "yes," type of consolidation unitization

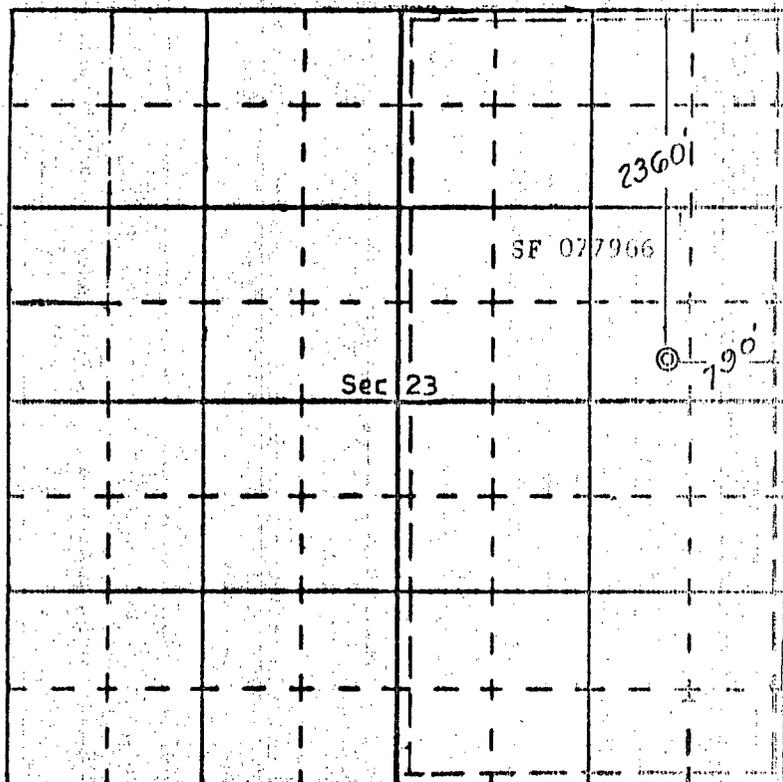
If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.

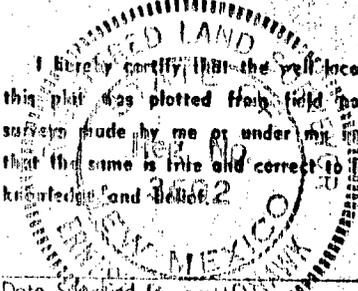
CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

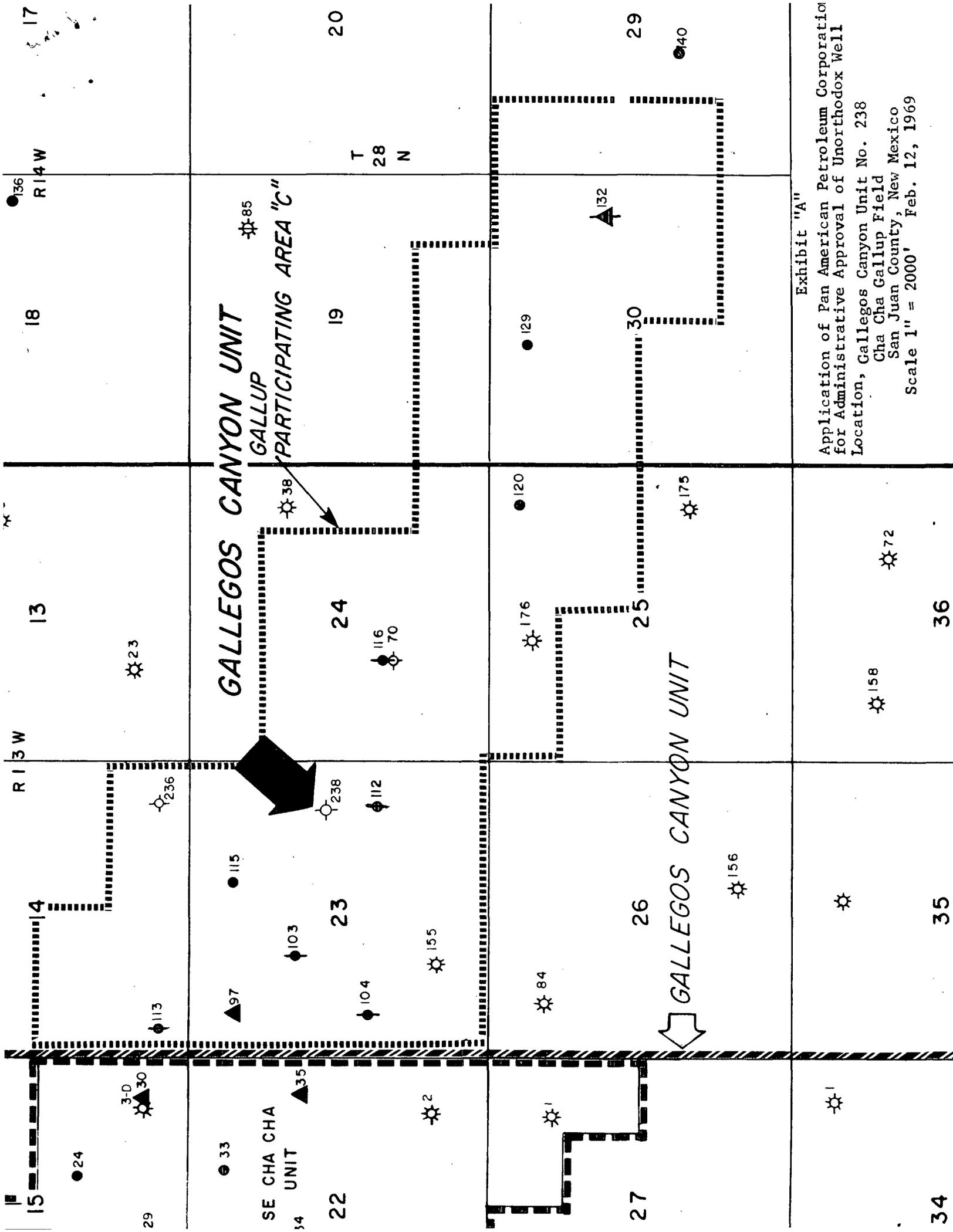
G. W. Eaton, Jr.
 Name
 G. W. Eaton, Jr.
 Position
 Area Engineer
 Company
 PAN AMERICAN PETROLEUM CORP.
 Date
 March 18, 1966



I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.



Date Surveyed March 12, 1966
 Registered Professional Engineer
 and/or Land Surveyor
V. L. Echon
 Certificate No. 3602



GALLEGOS CANYON UNIT

GALLUP PARTICIPATING AREA "C"

SE CHA CHA UNIT

Exhibit "A"

Application of Pan American Petroleum Corporation
 for Administrative Approval of Unorthodox Well
 Location, Gallegos Canyon Unit No. 238
 Cha Cha Gallup Field
 San Juan County, New Mexico
 Scale 1" = 2000' Feb. 12, 1969

17
 R14W

18

13

R13W

14

15

29

20

T 28 N

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24

23

22

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30

25

26

27

GALLEGOS CANYON UNIT

34

35

36

24

3-D
 30

29

23

236

33

97

115

103

35

104

112

116
 70

2

155

84

120

176

129

1

132

156

175

140

1

158

72