

PROTECTION OF CORRELATIVE RIGHTS: INTERPOOL
(GAVILAN - WEST PUERTO CHIQUITO BOUNDARY)
FOR SITUATION OF PRESSURE MAINTENANCE CREDIT
ALLOWED THE CANADA OJITOS UNIT
FOR ITS PROPOSED EXPANSION AREA

Concern has been expressed that if pressure maintenance credit be allowed wells in the proposed Canada Ojitos Unit expansion area that the direction of migration might be reversed such that Gavilan tracts would be drained by Canada Ojitos Unit wells.

To assure minimal cross-boundary migration suggestions have been made that perhaps this control could be effected by monitoring pressures across the boundary.

Benson-Montin-Greer Drilling Corp., as Operator of the Canada Ojitos Unit, would be willing to participate in such a program. B-M-G's only concern, as expressed earlier, is that such pressures be accurately determined.

If such monitoring be undertaken, we suggest the following:

1. Pressures be measured only with bottom hole pressure gauges, until such time as it may be determined that simpler methods might be employed.
2. Utilize wells which are in good communication with the main producing reservoir, such as Mallon's Howard Federal 1-11 in Section 1, Township 25 North, Range 2 West; Meridian's Hill Federal #1 in Section 24, Township 25 North, Range 2 West, and any of the Canada Ojitos Unit wells in the boundary are which do not have plunger bumper springs in the tubing (most of the wells had the bumper springs removed for the testing programs, and have not yet been returned to normal configuration).
3. The reservoir pressure gradient error can be minimized by utilizing wells at approximately the same structural position.
4. Pressures be measured utilizing the same wireline unit and same bombs.
5. We suggest two bombs be run in tandem: one of the wireline companies' Amerada RPG-3's and one of the Canada Ojitos Unit's GRC-520's.
6. The Aztec Oil Conservation Division office be charged with the responsibility - and authority - to establish the procedures, witness the tests and in event it determines migration is occurring from Gavilan to the unit, to reduce the unit's percentage of gas injection credit for the expansion area wells. Such adjustment to the gas injection credit to apply until the next appropriate date following a survey.