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PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING

DENVER, COLORADO 80202

PRODUCING DEPARTMENT
H. T. HUNTER
DIVISION PRODUCTION
MANAGER

January 19, 1967

File: AMR-123-416

Re: Proposed Initial Participating Area
for the Fruitland Formation
Gallegos Canyon Unit
San Juan County, New Mexico

DISTRICT SUPERINTENDENTS
W. M. JONES
A. E. PIPER
T. M. CURTIS
JOINT INTEREST
SUPERINTENDENT
S. B. RICHARDS

Commissioner of Public Lands
State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Dear Sir:

Attached herewith is Pan American Petroleum Corporation's proposed initial participating area for the Fruitland formation in the Gallegos Canyon Unit. If this proposal meets with your approval, please execute all copies and send them to the Oil Conservation Commission of the State of New Mexico.

By copy of this letter to the Oil Conservation Commission, we request that upon their approval, they in turn execute all copies and send them to the Oil and Gas Supervisor, United States Geological Survey.

By copy of this letter to the United States Geological Survey, we request that upon approval, they return to Pan American Petroleum Corporation, Security Life Building, Denver, Colorado 80202, Attention: Mr. S. B. Richards, four fully executed copies. We will then transmit one fully signed copy of the proposal to the Commissioner of Public Lands and to the Oil Conservation Commission. In this manner, the files for each agency will be complete.

Yours very truly,



Attachments

cc: Oil Conservation Commission
Santa Fe, New Mexico

Regional Oil and Gas Supervisor
United States Geological Survey
Roswell, New Mexico

PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING

DENVER, COLORADO 80202

PRODUCING DEPARTMENT
H. T. HUNTER
DIVISION PRODUCTION
MANAGER

DISTRICT SUPERINTENDENTS
W. M. JONES
A. E. PIPER
T. M. CURTIS
JOINT INTEREST
SUPERINTENDENT
S. B. RICHARDS

November 4, 1966

File: SBR-516-986.511

Re: Application for Approval of
Initial Participating Area "D"
With First and Second Enlargements
For the Gallup Formation,
Gallegos Canyon Unit,
San Juan County, New Mexico

Regional Oil and Gas Supervisor
United States Geological Survey
P. O. Box 1857
Roswell, New Mexico

Dear Sir:

Reference is made to the recent telephone conversation between Mr. Carl Traywick of your office and our Mr. John Kennedy concerning the above subject. Fulfilling Mr. Traywick's request, attached please find twelve (12) copies of cross-sections B-B' and C-C' drawn through the proposed participating area. Also attached are twelve (12) copies of Exhibit "B" and other pages of the Application revised to reflect the acreage error in Section 19 and a revised isopach map reflecting the trace of the cross-section B-B' and C-C' and completion data on Gallegos Canyon Unit Well No. 254.

In studying cross-sections B-B' and C-C', you will find a definite show of the Gallup sand along the north edge of the field whereas along the south edge of the field, the existence of the sand is not so clearly reflected. The Piñon Gallup sand bar is believed to be an offshore type sand bar. In this type of sand bar, the sand gradually grades into a shale along the seaward side of the bar, but gradation from sand to shale along the shoreward side is rapid due to the longshore currents. The cross-sections reflect this type of sand bar. We believe that the isopach map, drawn on net feet of pay, adequately reflects the shape and distribution of the sand in the bar.

Regional Oil and Gas Supervisor
November 4, 1966
Page 2

We hope that the information supplied is as requested, but if you have any additional questions, please direct future inquiries or correspondence concerning unit matters to the following people in our Denver office:

Sidney B. Richards
or
R. Bart Giles

We would hope that the corrections we have made to our Application, the additional data we now have furnished as a result of the completion of Well No. 254, and the cross-sections requested will lead to a speedy approval of our Application as we are most anxious to obtain approval and initiate a pressure maintenance project in this Participating Area.

Yours very truly,



Attachments

cc: Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

2/7

October 10, 1965

Pan American Petroleum Corporation
Security Life Building
Denver, Colorado 80202

Attention: Mr. S. B. Richards

Re: Participating Area "D"
Gallup Formation
Gallegos Canyon Unit,
San Juan County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Initial Participating Area "D" with First and Second Enlargements, Gallup Formation for the Gallegos Canyon Unit, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Nine approved copies of the application are being forwarded to the U. S. Geological Survey, Roswell, New Mexico.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands - Santa Fe
U. S. Geological Survey - Roswell

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October 10, 1966

Pan American Petroleum Corporation
Security Life Building
Denver, Colorado, 80202

Re: Gallegos Canyon Unit
San Juan County, New Mexico

ATTENTION: Mr. Sidney B. Richards

Gentlemen:

The Commissioner of Public Lands approves your application for the Initial, and the First and Second Enlargements for the Participating Area "D", Gallup Formation, Gallegos Canyon Unit, San Juan County, New Mexico, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are handing ten approved copies to the Oil Conservation Commission for their consideration and requesting them to forward at least six copies to the United States Geological Survey, Roswell, New Mexico.

This office requires only two copies and requests that you notify us as to the approval by the other two agencies.

Please note the address of the Commissioner of Public Lands, State Land Office Building, P. O. Box 1148, Santa Fe, New Mexico.

Very truly yours,
GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
Ted Bilberry, Director
Oil and Gas Department

GEH/MMR/s

Pan American Petroleum Corporation
October 10, 1966
- Page 2. -

cc:

United States Geological Survey
Roswell, New Mexico

Oil Conservation Commission
Santa Fe, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

October 7, 1966

Pan American Petroleum Corporation
Security Life Building
Denver, Colorado 80202

Attention: Mr. S. B. Richards

Re: Initial Participating Area
Fruitland Formation
Gallegos Canyon Unit
San Juan County, New Mexico

Gentlemen:

Reference is made to your letter of August 15, 1966, requesting approval of the Initial Participating Area, Fruitland Formation, for the subject unit area, said participating area to comprise the following acreage:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM
Section 18: W/2

TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM
Section 13: All

While we do generally concur with your conception of the size and shape of the structure as outlined on the gross pay isopach map, we cannot agree that all of the acreage included in the above-described area has been "reasonably proved to be productive of unitized substances in paying quantities," as is required for the establishment and

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PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING
DENVER, COLORADO 80202

PRODUCING DEPARTMENT
H. T. HUNTER
DIVISION PRODUCTION
MANAGER

September 30, 1966

File: SBR-443-416

247
DISTRICT SUPERINTENDENTS
W. M. JONES
A. E. PIPER
T. M. CURTIS
JOINT INTEREST
SUPERINTENDENT
S. B. RICHARDS

Re: Application for Approval of Initial Gallup
Participating Area "D" With First and Second
Enlargements, Piñon Gallup Oil Pool,
Gallegos Canyon Unit
San Juan County, New Mexico

Commissioner of Public Lands
State of New Mexico
Capital Annex Building
Santa Fe, New Mexico

Dear Sir:

Attached herewith is Pan American Petroleum Corporation's Application for Approval of Initial Gallup Participating Area "D" with First and Second Enlargements, Piñon Gallup Oil Pool in the Gallegos Canyon Unit. If this Application meets with your approval, please execute all copies and send them to the Oil Conservation Commission of the State of New Mexico.

By copy of this letter to the Oil Conservation Commission, we request that upon their approval they, in turn, execute all copies and send them to the Oil and Gas Supervisor, United States Geological Survey.

By copy of this letter to the United States Geological Survey, we request that upon approval, they return to Pan American Petroleum Corporation, Security Life Building, Denver, Colorado 80202, Attention: S. B. Richards, four (4) fully executed copies. We will then transmit one fully signed copy of the proposal to the Commissioner of Public Lands and to the Oil Conservation Commission.

In this manner, the files for each agency will be complete.

Yours very truly,

S. B. Richards

Attachments

cc: Oil Conservation Commission
State of New Mexico
Capital Annex Building
Santa Fe, New Mexico

Regional Oil and Gas Supervisor
United States Geological Survey
P. O. Box 1857
Roswell, New Mexico

PH 3 30
SEP 27 1966

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September 27, 1966

Pan American Petroleum Corporation
Security Life Building
Denver, Colorado 80202

Re: Gallegos Canyon
San Juan County, New Mexico

ATTENTION: Mr. S. B. Richards

Gentlemen:

The Commissioner of Public Lands does not believe that a 955.58 acre Initial Participating Area for the Fruitland Formation is justified.

Therefore, we are handing unapproved all copies with the exception of one, to the Oil Conservation Commission for their consideration.

We wish to call your attention to the effective date of this Participating Area, Section 13 of the Unit Agreement states the effective date to be as of the date of first production. Our well records C-104 and C-105, Gallegos Canyon Well no 220 both reflect June 14, 1966, as the date of first production, however, we do not find this well listed on El Paso Natural's August report of purchases.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
Ted Bilberry, Director
Oil and Gas Department

GEH/MMR/s

Pan American Petroleum Corporation
September 27, 1966
Page (2.)

cc: New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

United States Geological Survey
P. O. Box 1857
Roswell, New Mexico

PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING

DENVER, COLORADO 80202

PRODUCING DEPARTMENT
H. T. HUNTER
DIVISION PRODUCTION
MANAGER

August 22, 1966

File: SBR-374-416

DISTRICT SUPERINTENDENTS

W. M. JONES
A. E. PIPER
T. M. CURTIS

JOINT INTEREST
SUPERINTENDENT
S. B. RICHARDS

Re: Application for Approval of
Initial Participating Area "D"
With First and Second Enlargements
For the Gallup Formation,
Gallegos Canyon Unit,
San Juan County, New Mexico

RECEIVED
OCT 3 2 43 PM '66
STATE LAND OFFICE
SANTA FE, N.M.

Director (6)
United States Geological Survey
Washington, D. C.
THROUGH: Regional Oil and Gas Supervisor
United States Geological Survey
P. O. Box 1857
Roswell, New Mexico

Commissioner of Public Lands (3)
State of New Mexico
Capital Annex Building
Santa Fe, New Mexico

All Working Interest Owners
Gallegos Canyon Unit
(See Attached Addressee List)

Oil Conservation Commission (3)
State of New Mexico
Capital Annex Building
Santa Fe, New Mexico

Gentlemen:

Pursuant to the provisions of Section 10 of the Unit Agreement for the Gallegos Canyon Unit, Pan American Petroleum Corporation, as Unit Operator, has determined, subject to the approval of the Director, Commissioner, and Commission, that Gallegos Canyon Unit Well No. 250, 251, 252 and 253 are capable of producing unitized substances in paying quantities from the Gallup formation and that an Initial Gallup Participating Area "D" with first and second enlargements in the Gallegos Canyon Unit should be made.

The proposed Initial Gallup Participating Area "D" consists of 360 acres as shown on the attached ownership schedule, Exhibit "B", which describes and shows the ownership of acreage in the Initial Gallup Participating Area "D", and is described as follows:

Township 28 North, Range 12 West
Section 14 SW/4, E/2 SE/4
Section 23 N/2 NW/4, NW/4 NE/4

It is proposed that the effective date of the Initial Gallup Participating Area "D" be May 14, 1966, the date of first known production from Gallegos Canyon Unit Well No. 250, the well on which the enlargement is predicated.

The proposed first enlargement to Gallup Participating Area "D" consists of 1,320 acres and is described as follows:

Township 28 North, Range 12 West

Section 10 S/2 SE/4, SE/4 SW/4
Section 13 S/2 SW/4, SW/4 SE/4, NW/4 SW/4
Section 14 E/2 SE/4, NW/4, SW/4 NE/4
Section 15 NE/4, N/2 SE/4, SE/4 SE/4, E/2 NW/4
Section 23 E/2 NE/4
Section 24 NW/4, W/2 NE/4, NW/4 SE/4, NE/4 SW/4

Total acreage in the Gallup Participating Area "D" after the first enlargement is 1,680 acres, as shown on the attached ownership schedule, Exhibit "B".

It is proposed that the effective date of the first enlargement of Gallup Participating Area "D" be August 1, 1966, the first of the month following the completion of Gallegos Canyon Unit Well No.'s 251 and 252, the wells on which the enlargement is predicated.

The proposed second enlargement to Gallup Participating Area "D" consists of 715.84 acres and is described as follows:

Township 28 North, Range 11 West

Section 19 Lots 1, 2, 3, 4; E/2
NW/4, S/2 NE/4, SE/4, E/2 SW/4

Township 28 North, Range 12 West

Section 13 SE/4 SE/4
Section 24 E/2 NE/4, NE/4 SE/4

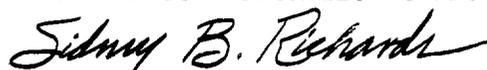
Total acreage in the Gallup Participating Area "D" after the second enlargement is 2,395.84 acres, as shown on the attached ownership schedule, Exhibit "B". It is proposed that the effective date of the second enlargement of Gallup Participating Area "D" be September 1, 1966, the first of the month following the completion of Gallegos Canyon Unit Well No. 253, the well on which the enlargement is predicated.

The attached plat, Exhibit "A", shows the proposed Initial Gallup Participating Area "D" with first and second enlargements. Also attached is an engineering and geological report, including an isopach map of the Gallup formation, (1) to support the Initial Gallup Participating Area "D" with first and second enlargements, and (2) reasonably prove the acreage in the Initial Participating Area and the enlargements is productive of unitized substances in paying quantities from the Gallup formation.

Your approval of the proposed Initial Gallup Participating Area "D" with first and second enlargements in the Gallegos Canyon Unit is respectfully requested.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION



Sidney B. Richards
Joint Interest Superintendent

MAILING LIST FOR GALLEGOS CANYON UNIT / A
SAN JUAN COUNTY, NEW MEXICO

American Petrofina Co. of Texas
P. O. Box 2159
Dallas, Texas
Attn: Mr. L. M. Thompson Prod. Dept.

American Petrofina Co. of Texas
P. O. Box 2159
Dallas, Texas
Attn: Mr. Deewall Land Dept.

The Atlantic Refining Co. (3)
P. O. Box 1978
Roxwell, New Mexico

Aztec Oil & Gas Company
2000 First National Bank Building
Dallas, Texas
Attn: Mr. P. R. Watts, Jr.

Mary Roberts Berry
208 E. Washington Street
Washington, Iowa

Bloomfield Royalty Corporation
916 San Jacinto Building
Houston, Texas

Brookhaven Oil Company
P. O. Box 1267
Scottsdale, Arizona

Olen F. Featherstone
Roswell Petroleum Building
Roswell, New Mexico

A. C. Pegg
P. O. Box 8852
Chicago, Illinois

E. I. Rydin
P. O. Box 8852
Chicago, Illinois

L. B. Hodges
P. O. Box 489
Roswell, New Mexico 88201

Elma R. Jones
C/o R. H. Klinger
P. O. Box 1741
Stockton, California 95201

National Drilling Company, Inc.
4810 N. Kenneth Avenue
Chicago, Illinois

Pubco Petroleum Corporation
P. O. Box 1419
Albuquerque, New Mexico

Skelly Oil Company
P. O. Box 730
Hobbs, New Mexico
Attn: Mr. H. E. Aab

Skelly Oil Company
P. O. Box 1650
Tulsa, Oklahoma 74102
Attn: Mr. R. G. Hiltz

Southern Union Production Company
Fidelity Union Tower Building
Dallas, Texas 75201
Attn: Mr. L. S. Muennink

Sunray DX Oil Company
1101 Wilco Building
Midland, Texas
Attn: Mr. V. M. Williams

Texaco, Inc.
P. O. Box 2100
Denver, Colorado
Attn: Mr. J. F. Neill

Texas Pacific Oil Company
P. O. Box 747
Dallas, Texas 75221
Attn: Mr. L. B. Jeffers

John H. Trigg
P. O. Box 520
Roswell, New Mexico

Rip C. Underwood
Box 2588
First National Bank Building
Amarillo, Texas

Wood Oil Company
Room 800 - Midstates Building
Tulsa, Oklahoma