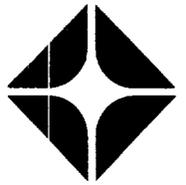


North American Producing Division
New Mexico-Arizona District
Post Office Box 1978
Roswell, New Mexico 89201
Telephone 505 622 4041

W P Tomlinson
District Engineer

DEC 10 1969



December 9, 1969

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.

Re: Atlantic Richfield Shugart
Panco Waterflood Project
Order No. R-3743 and
Administrative Order No.
WFX-323

file 4-110

Gentlemen:

This is to advise that Atlantic Richfield Company started injecting water into the recently drilled Panco Federal No. 4 on December 2, 1969. This well has 5-1/2" O.D. casing set at 3529' and cemented with 300 sacks. The injection formation is the Queen with perforations 3449' to 3459'. Injection is down 2-3/8" O.D. tubing with a packer set at 3396'.

The use of this well for water injection was authorized by Commission Order No. R-3743 and Administrative Order No. WFX-323.

Yours very truly,

W. P. Tomlinson
W. P. Tomlinson

MAO:jcb

cc: United States Geological Survey
P. O. Drawer "U"
Artesia, New Mexico 88210

New Mexico Oil Conservation Commission
P. O. Drawer "DD"
Artesia, New Mexico 88210

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

April 29, 1969

**Mr. Clarence Hinkle
Hinkle, Bondurant & Christy
Attorneys at Law
Post Office Box 10
Roswell, New Mexico 88201**

Dear Sir:

Enclosed herewith is Commission Order No. R-3743, entered in Case No. 4110, approving the Atlantic Richfield Panco Shugart Waterflood Project.

Injection is to be through the one authorized water injection well which is to be equipped with tubing set in a packer at approximately 3345 feet. The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface to facilitate detection of leakage in the tubing or packer.

As to allowable, our calculations indicate that when all of the authorized injection wells have been placed on active injection, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-E-3 is 84 barrels per day when the South-east New Mexico normal unit allowable is 42 barrels per day or less.

Please report any error in this calculated maximum allowable immediately, both to the Santa Fe office of the Commission and the appropriate district proration office.

In order that the allowable assigned to the project may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

-2-

Mr. Clarence Hinkle
Hinkle, Bondurant & Christy
Attorneys at Law
Post Office Box 10
Roswell, New Mexico 88201

Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/ir

cc: Oil Conservation Commission
Hobbs and Artesia, New Mexico

U. S. Geological Survey
Artesia, New Mexico

Mr. D. E. Gray
State Engineer Office
Santa Fe, New Mexico

C

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P

Y