

PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING
DENVER, COLORADO 80202

December 17, 1970

NSL-478



File: AMR-2358-986.511

Re: Unorthodox Well Location
USG Section 19, Well No. 13
Hogback Dakota Pool
San Juan County, New Mexico

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

Dear Mr. Porter:

Pan American Petroleum Corporation respectfully requests administrative approval to recomplate USG Section 19 Well No. 13 to the Dakota formation. This well is located 2,050 feet from the north line and 1,810 feet from the east line of Section 19-T29N-R16W, which location is 100 feet east of a well now producing from the Dakota pool, Well No. 14, located 2,050 feet from the north line and 1,910 feet from the east line of Section 19-T29N-R16W. 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 recompletion would be located no nearer than 165 feet to the outer boundary of the quarter-quarter section in 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 showing the above well locations is attached. As can be seen, Well No. 13 is located 100 feet from Well No. 14 and is therefore unorthodox. The three wells now producing from this proration unit, Unit G of Section 19, are not capable of top allowable rates having averaged only 35 BOPD during November 1970 and efforts to increase production by workovers and installing pumping equipment have been unsuccessful. A sand-oil fracture treatment of Well No. 14 in November, 1969 resulted in an increase in water production from 57 BWPD to 632 BWPD but only a nominal oil increase of 14 BOPD. By perforating Well No. 13 in only the top foot or so of Dakota pay sand, we expect to recover substantial additional oil which might not be produced by existing wells.

Well No. 13 was originally completed in the Pennsylvanian formation in October, 1952. That zone was produced to depletion and permanently abandoned during June, 1970. At that time the Cutler formation was tested but was found to be water bearing. All strings of casing were then cut and pulled with the exception of the 13-3/8" string which was originally set through the Dakota and cemented to surface.

MAIL OFFICE

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Pan American Petroleum Corporation owns all acreage within at least one-half mile of the proposed location so no notification of other operators is required as provided in Rule 3 of Order R-3296. The Navajo Indian Tribe is the royalty interest owner in all of Section 19 and we are sending copies of this application to the United States Geological Survey.

Rule 3 of the Hogback Dakota Pool rules provides that the Secretary-Director of the Commission shall have authority to grant exceptions to Rule No. 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 present location of Well No. 13, originally drilled to deeper horizons, is a part of the existing topography and we respectfully request that you approve the unorthodox location without notice and hearing.

Yours very truly,
RB Giles

Attachment

cc: Mr. E. C. Arnold (2)
New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico 87410

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

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

George,
I am waiting to see what your
reaction is to this little piece
of Double Tech.

2502