

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."

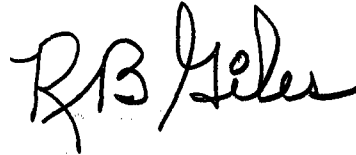
The Gallegos Canyon Unit No. 238 was originally drilled to a total depth of 6432' and a completion in the Basin Dakota intervals 6254'-72' and 6310'-30' was unsuccessful. As Operator of the Gallegos Canyon Unit, Pan American would like to re-enter this well and attempt a recompletion in the Cha Cha Gallup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

A handwritten signature in dark ink, appearing to read "R. B. Geler". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

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 ACREAGE 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 hatchure 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

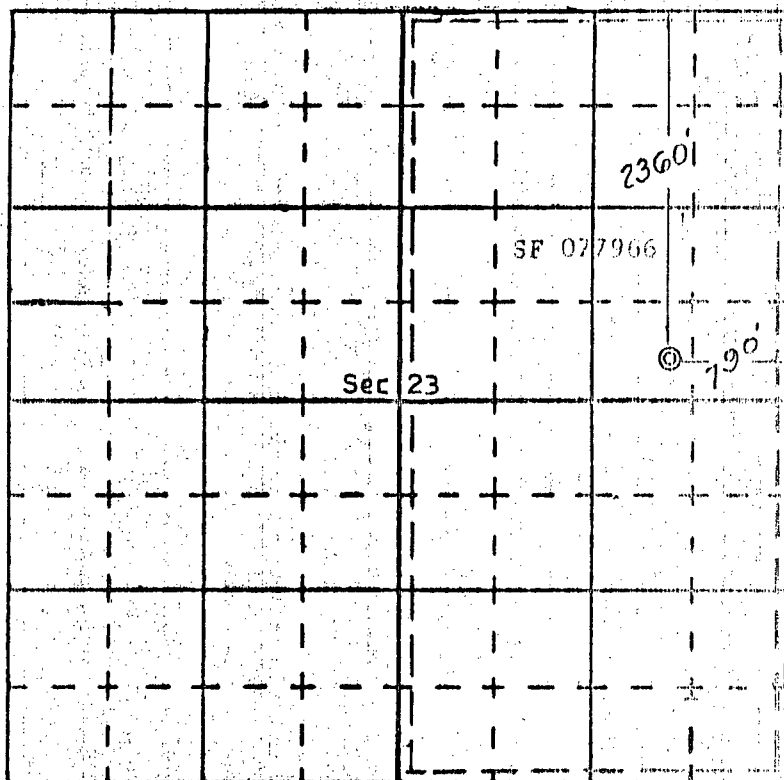
If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.)

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**
V. L. CHOW
 Registered Professional Engineer
 and/or Land Surveyor

C. J. Cook
 Certificate No. **3602**

