



Amoco Production Company

Security Life Building
Denver, Colorado 80202

Producing Department

H. T. Hunter
Division Production
Manager

W. M. Jones
T. M. Curtis
District Superintendents

May 14, 1971

File: AMR-863-986.511

Re: Unorthodox Well Location
Gallegos Canyon Unit No. 257
Undesignated Fruitland
San Juan County, New Mexico

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

Dear Sir:

Amoco Production Company, operator of the Gallegos Canyon Unit, respectfully requests administrative approval to recomplate Gallegos Canyon Unit No. 257 to the Fruitland formation. This well, located 2130' FSL and 2030' FWL, Section 19-T28N-R11W, is closer than 790' to the boundary of the 160 acre tract comprising the SW/4 of Section 19 and would be unorthodox for a Fruitland sand test under Commission Rule 104 B II(a).

Well No. 257 was completed in March, 1967 as a water injection well in the Pinon Gallup secondary recovery project. Temperature surveys obtained during early 1968 showed that much of the water being injected was being lost to the shale zone lying above the Gallup sand. Attempts to shut off this "thief" zone were unsuccessful. The well is currently taking only 47 BWPD at maximum injection pressure of 1,200 psi, with cumulative injections of 220,000 barrels. The closest offset producer, Well No. 253, has been shut-in since March, 1969 when production went to 100% water. The only other offset producer, Well No. 254, is producing only 8 BOPD and 1 BWPD. It is evident that Well No. 257 has no further value as a water injection well, and abandonment of the Gallup zone is therefore planned.

The electric log obtained during completion of Well No. 257 shows a well developed Fruitland sand at a depth of approximately 1,305 feet which appears to be potentially gas productive. This same sand is very highly productive in the nearby Pinon Fruitland Pool. Based on our analysis of all wells in this general area which have logged the Fruitland formation, the sand in Well No. 257 may be an extension of the Pinon Fruitland development. This can be confirmed only by pressure data obtained upon recompletion. The nearest well in that Pool, Gallegos Canyon Unit Well No. 261, is currently producing 325 MCFD and has a cumulative production of nearly 700,000 MCF since completion in April, 1967.

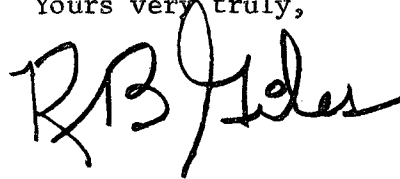
Attached hereto is a plat showing the ownership of all leases offsetting the spacing unit for this unorthodox location, and all wells completed thereon.

The owners of Gallup and Fruitland rights in the Gallegos Canyon Unit have approved this recompletion. By certified mail, we are furnishing National Drilling Company a copy of this application, they being the only owner of Gallup rights in offsetting spacing units outside the Gallegos Canyon Unit. National Drilling has approved this recompletion as an owner within the Gallegos Canyon Unit.

Commission Rule 104 F provides the Secretary-Director authority to grant location exceptions when the necessity thereof is based upon the recompletion of a well previously drilled to another horizon, provided such well was drilled at an orthodox location for such original horizon. Well No. 257 was drilled at a location authorized under NMOCC Order No. R-3163 dated December 9, 1966 covering the Pressure Maintenance Project in the Pinon Gallup Pool.

We respectfully request therefore that you approve this unorthodox location without notice and hearing.

Yours very truly,

A handwritten signature in dark ink, appearing to read "R. B. Jones", is written over the typed name "R. B. Jones". The signature is fluid and cursive.

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

National Drilling Company, Inc.
4810 North Kenneth Avenue
Chicago, Illinois 60630

