PAN AMERICAN PETROLEUM CORPC

Post Office Box 68

Hobbs, New Mexico 8827

January

VES-54-400.1 x 986.510.1

Subject: Application for Non-Standard Proration Unit, Unorthodox Well Location, Pan American Petroleum Corporation's State "CK" No. 3 Blinebry Gas Pool, Lea Co., N.M.

New Mexico Oil Conservation Commission +(2)Post Office Box 2088 Santa Fe, New Mexico 87501

Gentlemen:

Pan American respectfully submits application for a non-standard proration unit and an unorthodox well location to cover acreage to be dedicated and the occurrence of an unorthodox well location due to the reclassification of the State "CK" Well No. 3 from an oil to a gas well.

The non-standard proration unit requested encompasses the E/2 SW/4 of Section 19, T-21-S, R-37-E, NMPM, Lea County, New Mexico. It consists of contiguous quarter-quarter sections and can reasonably be persumed to be productive of gas.

During January 1970, the Blinebry zone ceased producing oil with gas necessitating the obtainment of an unorthodox well location for the State "CK" Well No. 3, located 330' FSL and 1549' FWL of Section 19, T-21-S, R-37-E, NMPM, Lea County, New Mexico.

By certified mail copies of this application are being furnished all offset operators as required by Rule 104, II.

Yours very truly,

V. E. Staley Area Superintendent

RRY/jt

cc: Texaco, Inc., Box 728, Hobbs, N.M. Amerada Petroleum Corp., Box 668, Hobbs, N.M. Gulf Oil Corp., Box 2167, Hobbs, N.M. J. W. Peery c/o Pech Oil Co., 424 Mid America Bldg, Midland, Texas New Mexico Oil Conservation Commission, Box 1980, Hobbs, N.M.

