

PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 480, Farmington, New Mexico
October 29, 1964

File: N-698-986.510.1

Subject: Application of Pan American Petroleum Corporation for an Order Approving the Expansion of Gallegos Canyon Unit Cha Cha Gallup Pressure Maintenance Project San Juan County, New Mexico, By Expanding the Project Area and By Converting One Additional Producing Well to Water Injection Service

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Dear Sir:

Pan American Petroleum Corporation, as Unit Operator of the Gallegos Canyon Unit, hereby makes application to the New Mexico Oil Conservation Commission and the Secretary-Director thereof for an Administrative Order authorizing the expansion of the project area of the Gallegos Canyon Unit Cha Cha Gallup Pressure Maintenance Project and the conversion of Gallegos Canyon Unit Well No. 132 to water injection service. This application is pursuant to the provisions of Rule 11 of New Mexico Oil Conservation Commission Order No. R-2211, dated March 28, 1962.

Applicant requests that the project area established by Order No. R-2211 be expanded to include the area described as follows:

Township 28 North, Range 12 West

Section 19: SE/4 SW/4 and SW/4 SE/4
Section 29: W/2 NW/4 and NW/4 SW/4
Section 30: E/2 NW/4, NE/4, and N/2 SE/4

Applicant further requests authority to convert into water injection and to operate as a water injection well the following well now producing from the Gallup formation:

<u>Well Name & No.</u>	<u>Location</u>
Gallegos Canyon Unit Well No. 132	SE/4 NE/4 Section 30, T-28N, R-12W

Gallegos Canyon Unit Well No. 132 is owned and operated by said Unit and lies within the proposed expanded project area.

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In support of this application, Applicant attached hereto the following exhibits:

Exhibit "A" - A plat showing the present project area of the Gallegos Canyon Unit Cha Cha Gallup project and the proposed expansion of said project area. Plat also shows the location of the proposed injection well and all wells within the project area.

Exhibit "B" - A schematic drawing of the proposed injection well which fully describes the casing, tubing, perforated interval, and depth showing that the injection of water will be confined to the Gallup formation.

Exhibit "C" - A log of the proposed injection well.

The plat of the project area and proposed expansion shows that there are no operators of wells completed in the Gallup formation that are either directly or diagonally offset by the well proposed for conversion to injection.

Gallegos Canyon Unit Well No. 140, located in the NE/4 SW/4 of Section 29, T-28-N, R-12-W, was not included in the proposed expansion of the Gallegos Canyon Unit Cha Cha Gallup Pressure Maintenance Project Area as it is a Gallup gas well.

Applicant believes that it will be in the interest of conservation and the prevention of waste to expand the project area of the Gallegos Canyon Unit Cha Cha Gallup Pressure Maintenance area to include the lands more particularly described above and to convert the well more particularly described above to water injection service and to operate said well as a water injection well as herein requested. Expansion of the project area and conversion of the additional injection well is necessary to obtain the greatest ultimate recovery of oil and gas from the Gallup formation within the area.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION



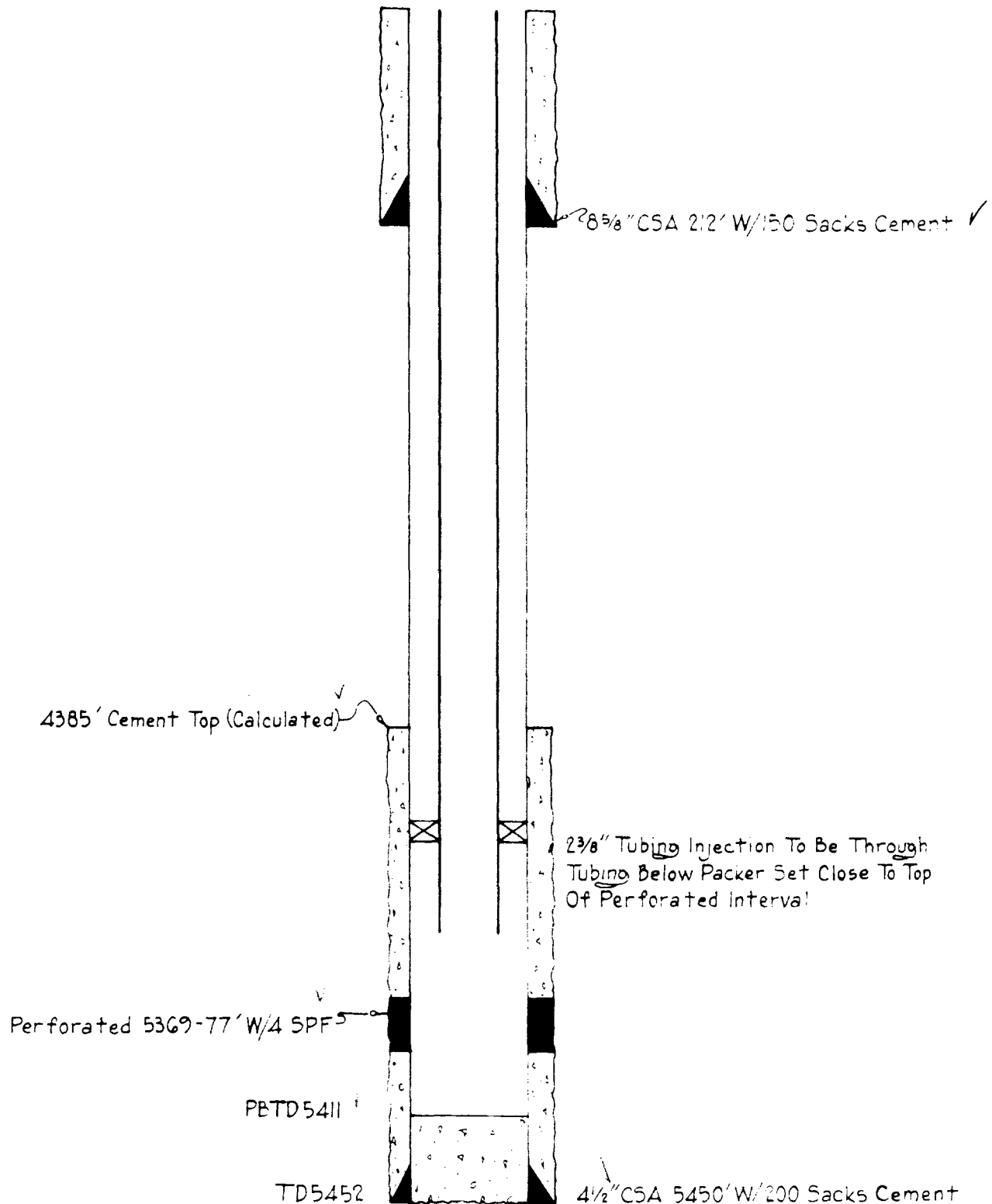
T. M. Curtis
District Superintendent

JRK:en
Attach.

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

EXHIBIT "B"

SCHEMATIC DIAGRAM OF
 PAN AMERICAN PETROLEUM CORPORATION
 Gallegos Canyon Unit Well #132
 2040' FNL & 750' FEL
 Sec. 30, T 28N - R 12W



PAN AMERICAN PETROLEUM CORPORATION

SCALE: None

DRG
No.