

PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 487, Farmington, New Mexico
November 25, 1959

File: E-479-986.510.1

Subject: Non-Standard Proration Unit
Houck Gas Unit No. 1

Case 1840
105 units 264-acre gas unit in PC. (standard unit is 160-acres)
Communitized

New Mexico Oil Conservation Commission (3)
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Pan American Petroleum Corporation respectfully requests that an Examiner Hearing be called at the earliest convenient time for the purpose of considering an order in exception to statewide Rule 104 permitting the formation of a non-standard gas proration unit for Pictured Cliffs gas production from Pan American Petroleum Corporation's Houck Gas Unit No. 1, located 1650 feet from the North line and 1650 feet from the East line of Section 6, T-29-N, R-9-W. It is requested that a non-standard proration unit consisting of 264 acres, being all of the N/2 of Section 6, T-29-N, R-9-W, be assigned to this well for the purpose of producing gas from the Pictured Cliffs formation. The necessity of a non-standard proration unit is a result of an irregularity in the U. S. Public Lands Survey.

The attached plat of the area surrounding the Houck Gas Unit No. 1 shows the proposed unit, together with offsetting Pictured Cliffs producing wells. It is believed that the entire N/2 of Section 6 is proved productive from the Pictured Cliffs formation by virtue of production from these two offsets. The Houck Gas Unit No. 1 is located less than one-half mile from the field limits of the Blanco Pictured Cliffs Field.

The Houck Gas Unit No. 1 was completed in the Mesaverde formation in March of 1953. In November of 1959, the well was dually completed in the Pictured Cliffs formation for an initial potential of 2124 MCF gas daily flowing through a 3/4-inch choke after a three-hour flow period. A request for administrative approval of the dual completion will be handled through separate channels.

Pan American Petroleum Corporation owns all of the working interest in acreage which will comprise the proposed unit, and no difficulty is anticipated in obtaining a satisfactory communitization agreement for this unit.

Very truly yours

PAN AMERICAN PETROLEUM CORPORATION

L. O. Speer, Jr.
L. O. Speer, Jr.
Area Superintendent

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to Kirk Deanna
CRM:cw
Attach.