PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68 Hobbs, New Mexico

November 4, 1968

File: VES-433-400.1

Subject: Time Extension on Rule 401 For Trigg Federal "B" Well No. 1, F-34-17-27 Eddy County, N.M. Wildcat

New Mexico Oil Conservation Commission District II - Artesia P. O. Drawer DD Artesia, New Mexico 88210

Attn: Mr. W. A. Gressett

Dear Sir:

Pan American Petroleum Corporations Trigg "B" Federal Well No. 1 was completed on 10-31-68 in the Morrow Formation as a flowing gas well. Since the well was a Wildcat and there are no immediate sales connection points, negotiations are now in progress for a gas sales contract.

Testing the well's potential at the present time could only be accomplished by venting the gas to the atmosphere. It is doubtful that a pipeline connection can be accomplished within 30 days after completion of the well, therefore an extension of the 30 days time limitation in Rule 401 is requested until such a connection is made. This will prevent revenue loss due to gas venting and test equipment rental, and will allow us to obtain better test data since the 1 hour flow period restriction for each point does not apply to connected wells. When the well has been connected to a gas gathering system, compliance to Rule 401 will be made.

Yours very truly,

V. E. Staley Area Superintendent

AML/jt

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