

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-247-20264

5. LEASE DESIGNATION AND SERIAL NO.

MM 0149968

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. NAME OF LEASE NAME

Federal Gas Com "K"

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Basin Dakota

11. SEC., T., R., M., OR BLK.

AND SURVEY OR AREA

MM/4 MM/4 Section 7,

T-27-N, R-12-W

12. COUNTY OR PARISH

San Juan

13. STATE

New Mexico

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

PAN AMERICAN PETROLEUM CORPORATION

3. ADDRESS OF OPERATOR

501 Airport Drive, Farmington, New Mexico 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)

At surface

1170' FWL & 930' FWL

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

10 miles south of Farmington, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

930'

16. NO. OF ACRES IN LEASE

228.66

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

6050'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

228.66

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

Will report later

22. APPROX. DATE WORK WILL START*

May 1, 1968

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	350'	225 sacks
7-7/8"	4-1/2"	10.5#	6050'	1500 sacks

We propose to drill the above well to an approximate depth of 6050' to evaluate Dakota prospects.

Copies of Location Plat attached.

Copies of all logs run will be furnished upon completion of well.

4-1/2" casing will be cemented in two stages with stage tool set 100' below base of Mesaverde.

Non-Standard Unit of 228.66 acres approved by BBOCC Administrative Order BNY-549 dated April 1, 1968.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. Original Signed By

G. W. EATON, JR.

SIGNED

TITLE

Area Engineer

DATE

April 18, 1968

G. W. Eaton, Jr.

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

RECEIVED

APR 23 1968

U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

*See Instructions On Reverse Side

Instructions

General: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

Items 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

Item 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section

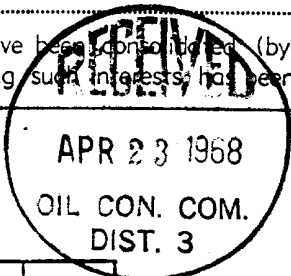
Operator PAN AMERICAN PETROLEUM CORPORATION			Lease FEDERAL GAS COM "K"		Well No. 1
Unit Letter D	Section 7	Township 27 NORTH	Range 12 WEST	County SAN JUAN	
Actual Footage Location of Well: 1170 feet from the NORTH line and 930 feet from the WEST line					
Ground Level Elev. Report Later	Producing Formation Dakota	Pool Basin Dakota	Dedicated Acreage: 228.66 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty),
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

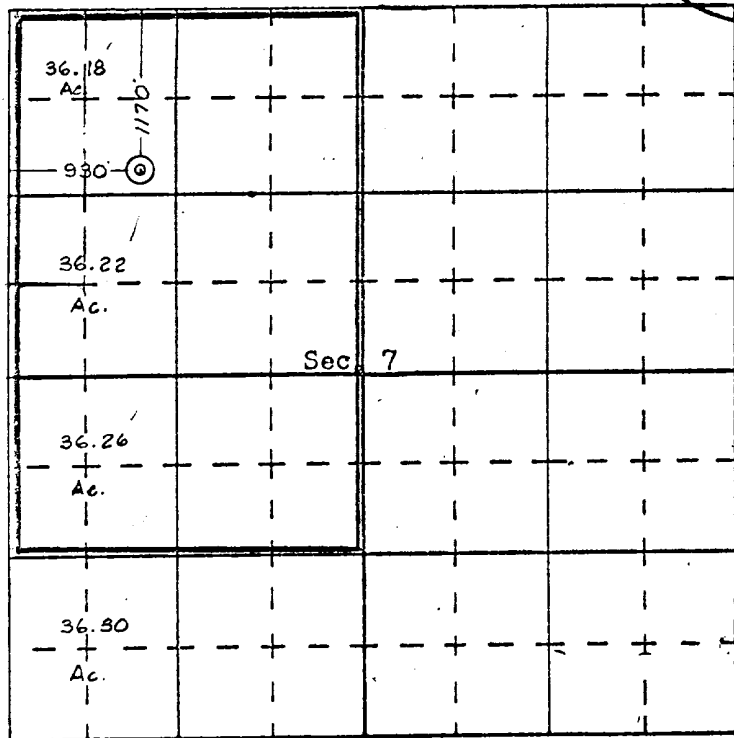
(X) Yes () No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.



10 WU #549



SCALE—4 INCHES EQUALS 1 MILE

SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

G. W. Eaton, Jr.
 Name
G. W. Eaton, Jr.
 Position
Area Engineer
 Company
PAN AMERICAN PETROLEUM CORP.
 Date
December 22, 1967

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

December 21, 1967
 Date Surveyed
James P. Leese
 Registered Professional Engineer
 and/or Land Surveyor
JAMES P. LEESE
1463
 Certificate No.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

April 1, 1968

C
O
P
Y

Pan American Petroleum Corporation
Security Life Building
Denver, Colorado 80202

Attention: Mr. R. B. Giles

Administrative Order NWU-549

Gentlemen:

Reference is made to your application for approval of a 228.66-acre non-standard gas proration unit in the Basin-Dakota Gas Pool consisting of the following acreage:

SAN JUAN COUNTY, NEW MEXICO
TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM
Section 7: NW/4 and E/2 SW/4

It is understood that this unit is to be dedicated to your Federal Gas Com "K" Well No. 1 to be located 1170 feet from the North line and 930 feet from the West line of said Section 7.

By authority granted me under the provisions of Order No. R-1670-C, as amended, you are hereby authorized to operate the above-described acreage as a non-standard gas proration unit.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/GMH/esr

cc: Oil Conservation Commission - Astec
United States Geological Survey - Farmington
Oil & Gas Engineering Committee - Hobbs
Proration Department, OCC - Santa Fe



OIL CONSERVATION COMMISSION

P.O. BOX 2088

SANTA FE, NEW MEXICO 87501

Dear Sir:

Enclosed for you are two copies of a report
on the oil resources of the State of New Mexico.

Very truly yours,

W. H. HARRIS, Director

Enclosure

Enclosed for you are two copies of a report
on the oil resources of the State of New Mexico.

Very truly yours,
W. H. HARRIS, Director
Oil Conservation Commission

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Enclosure

Oil Conservation Commission - Report
United States Geological Survey - Bulletin
Oil and Gas Engineering Committee - Report
Petroleum Engineering, etc. - Santa Fe



PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING
DENVER, COLORADO 80202



February 27, 1968

File: AMR-614-986.511

Re: Non-Standard Proration Unit
Federal Gas Com "K" No. 1
Basin Dakota Field
San Juan County, New Mexico

7-27-12

Mr. A. L. Porter, Jr. (3)
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

Pan American Petroleum Corporation respectfully requests administrative approval of a 228.66 acre non-standard gas proration unit for the Dakota formation to consist of the NW/4 and the N/2 of the SW/4 of Section 7, being all of the W/2 of Section 7 except the S/2 of the SW/4, in Township 27 North, Range 12 West, Basin Dakota Field, San Juan County, New Mexico. In accordance with the provisions of Rule 104, Section D, Subsection II, the requested non-standard proration unit consists of quarter-quarter sections and lots that are contiguous by common bordering sides, and which lie wholly within a governmental half section survey. All of the acreage included in the proposed unit can be reasonably presumed to be productive of gas from the Basin Dakota horizon. Pan American has 100% working interest in the proposed well to be located thereon by virtue of owning the lease covering the NW/4 of Section 7 coupled with the contractual right to acquire from Mobil Oil Corporation and O. J. Lilly the operating rights in oil and gas in the Dakota formation as to the N/2 of the SW/4 of said Section 7. In addition, all offset operators in adjoining sections and all operators in the same section are being notified by copies of this letter sent by certified mail advising them of Pan American Petroleum Corporation's intention to form the above proposed non-standard unit for the Dakota formation. Pan American is the Unit Operator of the Gallegos Canyon Unit which offsets the proposed non-standard gas proration unit to the north.

The formation of the requested 228.66 acre non-standard gas proration unit in the Dakota formation is necessitated by the existence of governmental subdivision lots along the west side of Section 7 that are smaller than the standard 40 acre governmental quarter-quarter sections. Also authorization of the non-standard unit is necessary because of the existence of Mobil Oil Corporation's H. K. Riddle Well No. 1, which is a Basin Dakota Field well located in the SW/4 of the SW/4 of Section 7. This well was completed

Mr. A. L. Porter, Jr.
February 27, 1968
Page 2

September 12, 1953, with an initial potential of 584 MCF of gas plus 6 to 9 barrels of condensate per day. Currently, the well is capable of producing about 100 to 120 MCF of gas and not more than one barrel of condensate per day. Because of the method by which this well was drilled and completed in 1953 and the fact that the well is over 14 years old, Pan American believes that a workover of this well would be very risky, imprudent and uneconomic. Pan American, therefore, does not want to communitize its acreage into a standard unit that would contain this well as a unit well. The H. K. Riddle Well No. 1 presently is in a 152.56 acre non-standard gas proration unit consisting of the SW/4 of Section 7. Mobil Oil Corporation has agreed to follow this application with a request that their well be dedicated to an approximate 76.30 acre non-standard gas proration unit consisting of the S/2 of the SW/4 of Section 7.

A new well known as Federal Gas Com "K" No. 1 will be drilled using modern techniques at a location in the NW/4 of the NW/4 of Section 7 within the proposed 228.66 unit. If this application is approved, Pan American believes that correlative rights will be protected because present drainage from the proposed non-standard unit to offsetting acreage will be stopped. Almost simultaneously with Pan American's filing of this Application for a 228.66 acre non-standard gas proration unit, Mobil Oil Corporation has agreed to file an application for a 76.30 acre non-standard gas proration unit to consist of said S/2 of the SW/4 of Section 7. These two non-standard units will result in the dedication of all of the acreage in the W/2 of Section 7 producing from the Dakota formation and that there will then be no islands of acreage undedicated and being drained from offsetting Dakota unit wells.

Attached hereto is a map showing the location of the proposed 228.66 acre non-standard gas proration unit for the Dakota formation and all surrounding acreage and wells. Further, there is attached hereto a copy of Pan American's "Well Location and Acreage Dedication Plat" for the subject Federal Gas Com "K" No. 1. You will note that the well site location is described as being 1170' from the north line and 930' from the west line of Section 7, T27N-R12W, San Juan County, New Mexico.

In view of the foregoing and Mobil Oil Corporation's forthcoming application your favorable consideration hereof is respectfully requested.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION

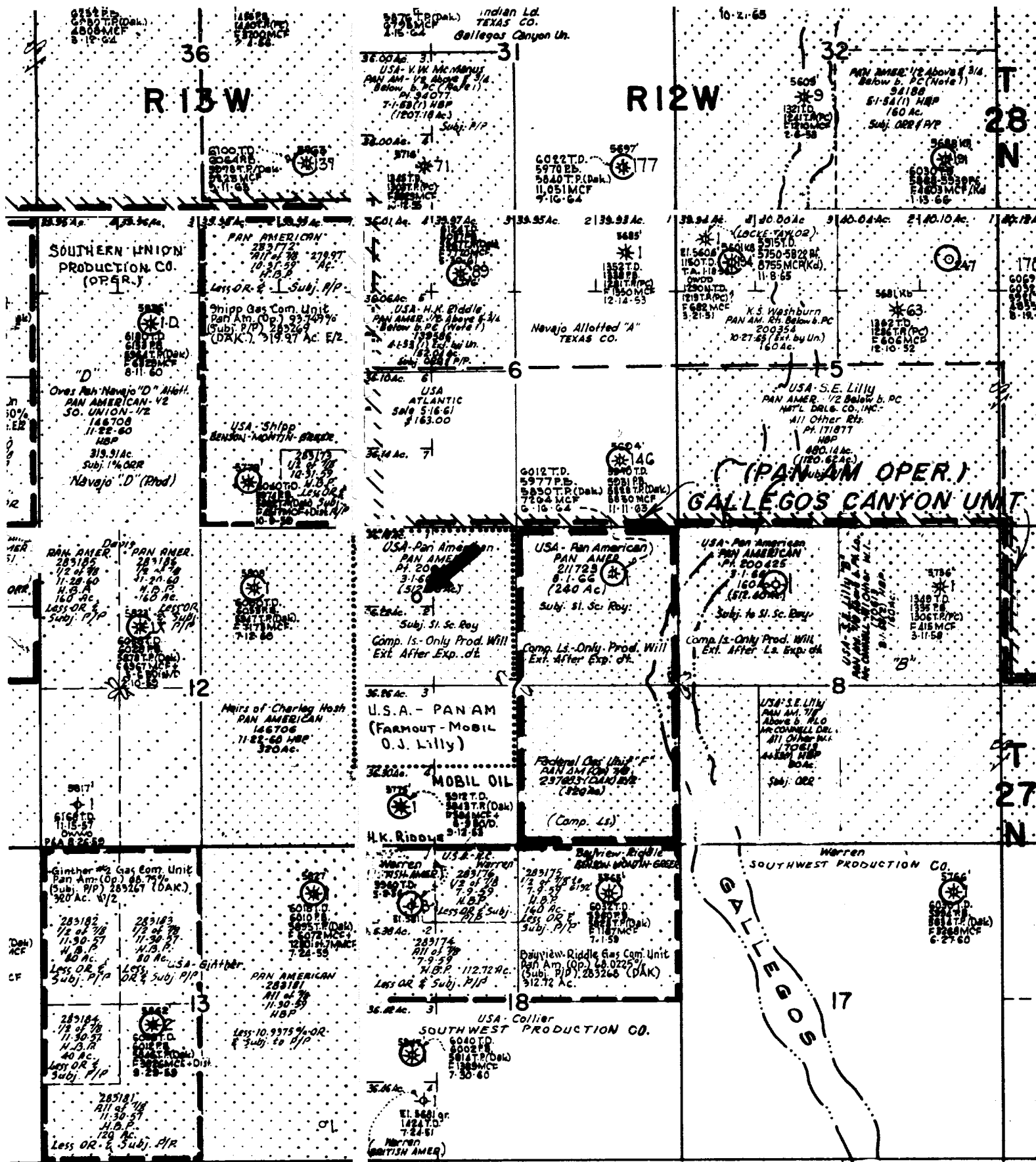
By



Attachments

cc: Certified letters to:

Mobil Oil Corporation, P. O. Box 1652, Casper, Wyoming 82601
Mr. & Mrs. O. J. Lilly, 1806 Pompton Drive, Auston, Texas 78758
Southwest Production Co., 3108 Southland Center, Dallas, Texas
Southern Union Production Co., Fidelity Union Tower Building, Dallas, Texas
U. S. Geological Survey, P. O. Box 965, Farmington, New Mexico 87401
New Mexico Oil Conservation Commission, 1000 Rio Brazos Road, Aztec, New Mexico



LEGEND

..... Non-standard unit outline



Dakota well



Proposed well

PAN AMERICAN PETROLEUM CORPORATION
NON-STANDARD PRORATION UNIT
FEDERAL GAS COM. "K" N#1
BASIN DAKOTA FIELD
San Juan Co., New Mexico

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACERAGE DEDICATION PLAT

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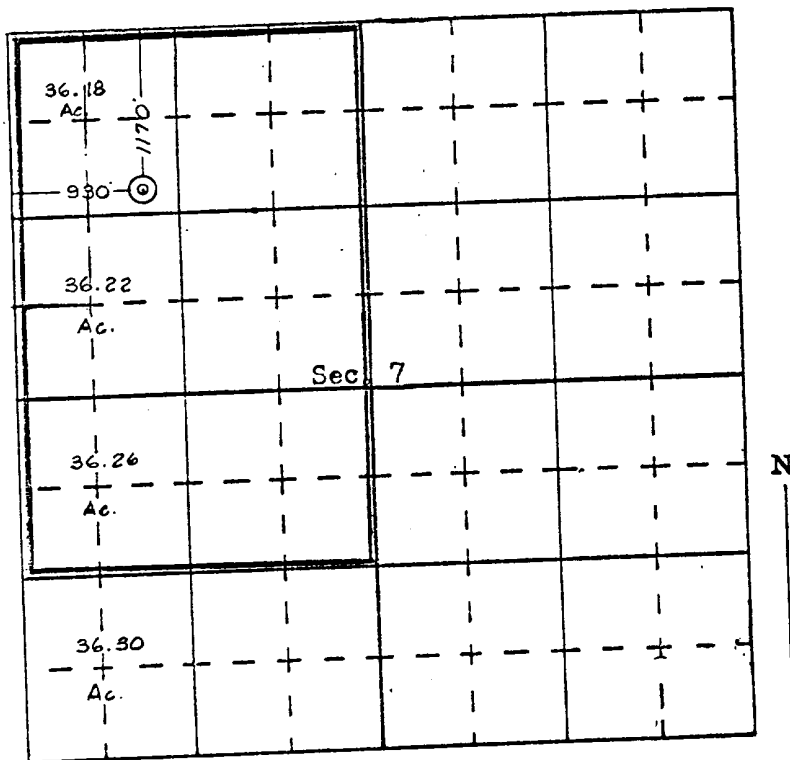
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and/or Land Surveyor
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