



NSL 504
issue
6-9-71

~~Rule 57 R~~
Rule 104 F

PH 1 10
MAY 20 1971

Amoco Production Company

Security Life Building
Denver, Colorado 80202

Producing Department

H. T. Hunter
Division Production
Manager

W. M. Jones
T. M. Curtis
District Superintendents

May 14, 1971

File: AMR-863-986.511

Re: Unorthodox Well Location
Gallegos Canyon Unit No. 257
Undesignated Fruitland
San Juan County, New Mexico

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

Dear Sir:

Amoco Production Company, operator of the Gallegos Canyon Unit, respectfully requests administrative approval to recomplete Gallegos Canyon Unit No. 257 to the Fruitland formation. This well, located 2130' FSL and 2030' FWL, Section 19-T28N-R11W, is closer than 790' to the boundary of the 160 acre tract comprising the SW/4 of Section 19 and would be unorthodox for a Fruitland sand test under Commission Rule 104 B II(a).

Well No. 257 was completed in March, 1967 as a water injection well in the Pinon Gallup secondary recovery project. Temperature surveys obtained during early 1968 showed that much of the water being injected was being lost to the shale zone lying above the Gallup sand. Attempts to shut off this "thief" zone were unsuccessful. The well is currently taking only 47 BWPD at maximum injection pressure of 1,200 psi, with cumulative injections of 220,000 barrels. The closest offset producer, Well No. 253, has been shut-in since March, 1969 when production went to 100% water. The only other offset producer, Well No. 254, is producing only 8 BOPD and 1 BWPD. It is evident that Well No. 257 has no further value as a water injection well, and abandonment of the Gallup zone is therefore planned.

The electric log obtained during completion of Well No. 257 shows a well developed Fruitland sand at a depth of approximately 1,305 feet which appears to be potentially gas productive. This same sand is very highly productive in the nearby Pinon Fruitland Pool. Based on our analysis of all wells in this general area which have logged the Fruitland formation, the sand in Well No. 257 may be an extension of the Pinon Fruitland development. This can be confirmed only by pressure data obtained upon recompletion. The nearest well in that Pool, Gallegos Canyon Unit Well No. 261, is currently producing 325 MCFD and has a cumulative production of nearly 700,000 MCF since completion in April, 1967.

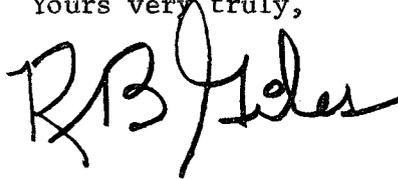
Attached hereto is a plat showing the ownership of all leases offsetting the spacing unit for this unorthodox location, and all wells completed thereon.

The owners of Gallup and Fruitland rights in the Gallegos Canyon Unit have approved this recompletion. By certified mail, we are furnishing National Drilling Company a copy of this application, they being the only owner of Gallup rights in offsetting spacing units outside the Gallegos Canyon Unit. National Drilling has approved this recompletion as an owner within the Gallegos Canyon Unit.

Commission Rule 104 F provides the Secretary-Director authority to grant location exceptions when the necessity thereof is based upon the recompletion of a well previously drilled to another horizon, provided such well was drilled at an orthodox location for such original horizon. Well No. 257 was drilled at a location authorized under NMOCC Order No. R-3163 dated December 9, 1966 covering the Pressure Maintenance Project in the Pinon Gallup Pool.

We respectfully request therefore that you approve this unorthodox location without notice and hearing.

Yours very truly,



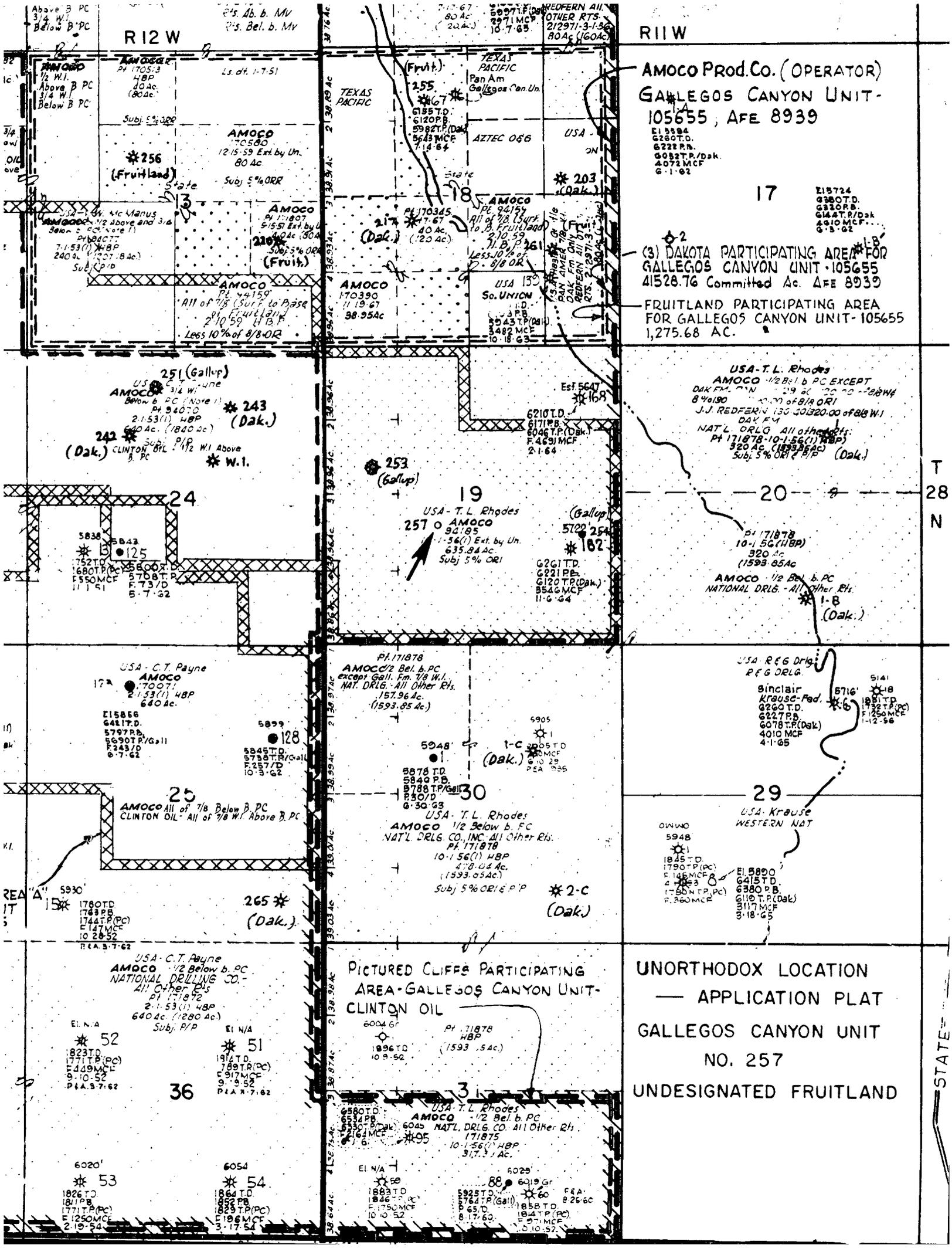
Attachment

cc: Mr. E. C. Arnold (2)
New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico 87410

United States Geological Survey (2)
P. O. Box 965
Farmington, New Mexico

United States Geological Survey (2)
Drawer 1857
Roswell, New Mexico

National Drilling Company, Inc.
4810 North Kenneth Avenue
Chicago, Illinois 60630



R12 W

R11 W

AMOCO Prod. Co. (OPERATOR)
GALLEGOS CANYON UNIT-
105655, AFE 8939

17
215724
G280T.D.
G210P.B.
G144T.P./Dak
G410MCF...
G-3-62

2
(3) DAKOTA PARTICIPATING AREA FOR
GALLEGOS CANYON UNIT-105655
41528.76 Committed Ac. AFE 8939

FRUITLAND PARTICIPATING AREA
FOR GALLEGOS CANYON UNIT-105655
1,275.68 AC.

17

*256
(Fruitland)

TEXAS PACIFIC
Pan Am
Gallegos Can. Un.

*203
(Oak.)

AMOCO
170580
12-15-59 Ext. by Un.
80 Ac
Subj 5% ORR

AMOCO
170345
7-7-67
40 Ac
(20 Ac)

AMOCO
170345
7-7-67
40 Ac
(20 Ac)

AMOCO
170390
11-19-67
38.95 Ac

AMOCO
170390
11-19-67
38.95 Ac

USA 130
So. UNION
I.D.
3-3-63
39.87 MCF
10-18-63

251 (Gallup)
AMOCO
7-4-150
All of 7/8 Surf. to Base
10-10-59 H.B.P.
Less 10% of 8/8 OR

*243
(Dak.)

242
(Dak.)

253
(Gallup)

USA-T.L. Rhodes
257 o AMOCO
9-1-95
1-34(1) Ext. by Un.
635.84 Ac
Subj 5% ORR

*182
(Gallup)

USA-T.L. Rhodes
AMOCO 1/2 Bel. b. PC EXCEPT
DAK FM. DYN. 29 AC 20-00-1984W
8-4-1980
J.J. REDFERN 130-30820-00 of 816 W.I
DAY FM
NAT'L DRLG. All Other Rls.
PT 171878-10-1-56(1) HBP
320 Ac (1593.85 Ac)
Subj 5% ORR & P/P (Dak.)

AMOCO 1/2 Bel. b. PC
NATIONAL DRLG. - All Other Rls.
*1-B
(Dak.)

USA-C.T. Payne
AMOCO
170071
2-1-53(1) HBP
640 Ac.

PH 171878
AMOCO 1/2 Bel. b. PC
except Gall. Fm. 7/8 W.I.
NAT. DRLG. All Other Rls.
157.96 Ac.
(1593.85 Ac.)

USA-REG Drlg.
REG DRLG.

AMOCO All of 7/8 Below B. PC
CLINTON OIL - All of 7/8 W.I. Above B. PC

USA-T.L. Rhodes
AMOCO 1/2 Below b. PC
NAT'L DRLG. CO. INC. All Other Rls.
PH 171878
10-1-56(1) HBP
478.04 Ac.
(1593.85 Ac.)
Subj 5% ORR & P/P

USA-Krause
WESTERN NAT

USA-C.T. Payne
AMOCO 1/2 Below b. PC
NATIONAL DRILLING CO.
All Other Rls
PH 171878
2-1-53(1) HBP
640 Ac. (1280 Ac.)
Subj P/P

PICTURED CLIFFS PARTICIPATING
AREA-GALLEGOS CANYON UNIT-
CLINTON OIL

UNORTHODOX LOCATION
— APPLICATION PLAT
GALLEGOS CANYON UNIT
NO. 257
UNDESIGNATED FRUITLAND

USA-C.T. Payne
AMOCO 1/2 Below b. PC
NATIONAL DRILLING CO.
All Other Rls
PH 171878
2-1-53(1) HBP
640 Ac. (1280 Ac.)
Subj P/P

PH 171878
HBP
(1593.85 Ac.)

USA-T.L. Rhodes
AMOCO 1/2 Bel. b. PC
NAT'L DRLG. CO. All Other Rls.
PH 171878
10-1-56(1) HBP
317.97 Ac.

USA-C.T. Payne
AMOCO 1/2 Below b. PC
NATIONAL DRILLING CO.
All Other Rls
PH 171878
2-1-53(1) HBP
640 Ac. (1280 Ac.)
Subj P/P

USA-T.L. Rhodes
AMOCO 1/2 Bel. b. PC
NAT'L DRLG. CO. All Other Rls.
PH 171878
10-1-56(1) HBP
317.97 Ac.

T
28
N

STATE