PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 487, Farmington, New Mexico January 22, 1960

File:

E-29-986.510.1

Subject: Non-Standard Proration Unit

J. F. Day "F" No. 1

Angels Peak Dakota Field

Deb.

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 Order R-1287, permitting the formation of a non-standard gas proration unit for Dakota gas production from Pan American's J. F. Day "F" No. 1, which is to be drilled in the E/2 of Section 7, T-28-N, R-10-N, San Juan County, New Mexico. The location of this well will be in compliance with provisions of Order R-1287. It is requested that a non-standard unit consisting of 385.89 acres, being all of Section 7 and the W/2 of Section 8, T-28-N, R-10-N, be assigned to this well for the purpose of producing gas from the Dakota formation.

The attached plat of the area surrounding the proposed Dakota unit shows the proposed unit, together with other Dakota completions in the vicinity of this unit. It is believed that the entire unit is proved productive from the Dakota formation by virtue of production from the three wells noted. The proposed well will be located less than one-half mile from the existing limits of the Angels Peak Dakota Field.

The ownership in the $\mathbb{E}/2$ of Section 7 and the $\mathbb{W}/2$ of Section 8 is divided as follows: Pan American Petroleum Corporation - 50 percent; Three States Natural Gas Company - 25 percent; El Paso Natural Gas Company - 25% as to gas; and Western Natural Gas Company - 25 percent as to oil. The W/2 of Section 7 is owned by Southern Union Gas Company. All partners have been contacted regarding the drilling of the proposed well, and as a result, no difficulty is anticipated in obtaining a satisfactory unitization and operating agreement for the proposed unit.

Very truly yours

PAH APERICAN PETROLEUM CORPORATION

L. O. Speer, Jr. Area Superintendent CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

1021 MAY 18 AMII-54

SYMBOLS

DL=Day Letter

NL=Night Letter

Lanternational
Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of ceeding is STANDARD TIME at point of destination

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NEW MEXICO OIL & CONSERVATION COMMISSION=

SANTA FE NMEX=

REFERENCE CASE NO 1909 - SCHEDULED MAY 18, 1960 THIS WILL

HAVE REFERENCE TO THE APPLICATION OF PAN AMERICAN PETROLEUM

CORP. BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION IN

CASE NO. 1909. SOUTHERN UNION GAS COMPANY STRONGLY

RECOMMENDS THE COMMISSION'S APPROVAL OF THIS APPLICATION.

WE BELIEVE THE APPLICATION IS BOTH PRACTICAL AND JUST AND IN

THE BEST INTEREST OF CONSERVATION. THE UTILIZATION OF

THESE PARTIAL SECTIONS WILL RESULT IN BETTER DISTRIBUTION

OF THE DEDICATED AREA RESULTING IN NO LOSS OF PRODUCTIVE

ACREAGE. MOST IMPORTANT WE FEEL THE AREA WILL BE ADEQUATELY

DRAINED BY THE PROPOSED DRILL SITE=

PAUL J CLOTE MGR OF DRILLING & PRODUCTION
SOUTHERN UNION GAS CO==

MAIN OFFICE ULC



