

PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 480, Farmington, New Mexico
December 30, 1960

File: E-964-986.510.1

Subject: Application for Permission
To Conduct Interference Test
Cha Cha Gallup Pool
San Juan County, New Mexico

Mr. A. L. Porter (2)
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

New Mexico Oil Conservation Commission Order R-1800 setting forth special pool rules for the Cha Cha Gallup Oil Pool, San Juan County, New Mexico, provides that the applicant may shut in one of the wells completed in this pool and transfer its allowable to other wells on the same basic lease producing from the pool for the purpose of obtaining interference test data. Pan American Petroleum Corporation hereby makes application for administrative approval for permission to shut-in its Navajo Tribal "E" No. 3, located in the SW/4 of Section 21, T-29-N, R-14-W, ~~transfer its allowable~~ in approximate equal proportions to the remaining five wells on the Navajo "E" lease, and conduct an interference test in this area.

The attached map of the portion of the Cha Cha Gallup Pool shows the location of the Pan American Navajo "E" lease and the location of the six wells on this lease which presently produce from the Cha Cha Gallup Pool. It is Pan American's desire to collect interference test data in this area of the Cha Cha Gallup Pool as additional data to be used in conjunction with the interference data being collected by Benson-Montin-Greer in the southeast portion of this pool.

In addition to obtaining the normal interference test data, the information to be gained will be used in furthering our efforts toward study of secondary recovery in the Cha Cha Gallup Pool. An Engineering Committee has been convened for the purpose of conducting a secondary recovery study, and the data obtained from the test will be a valuable aid in their investigation. It is Pan American's plan to shut in the Navajo Tribal "E" No. 3 as soon as possible after approval to conduct this test is obtained.

A copy of this application is being furnished to El Paso Natural Gas Products Company as the offset operator to this lease.

Very truly yours,

PAN AMERICAN PETROLEUM CORPORATION

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

GWE:en
GWE:en
Attach.
cc: El Paso Natural Gas Products Co.