

PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 480, Farmington, New Mexico
February 19, 1962

File: N-152-986.510.1

Subject: Application for Administrative
Approval of a Non-Standard
Gas Proration Unit
Basin Dakota Pool
NW/4 Section 23, T-29N, R-13W
San Juan County, New Mexico

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

Dear Sir:

Pursuant to the provisions of Rule 5-B of Order R-1670-C, Pan American Petroleum Corporation hereby makes Administrative Application for the approval of a Non-Standard Gas Proration Unit in the Basin Dakota Pool consisting of the NW/4 of Section 23, T-29-N, R-13-W, San Juan County, New Mexico. The proposed 160-acre Non-Standard Gas Proration Unit, consisting of the NW/4 of Section 23, will be dedicated to Gallegos Canyon Unit Well No. 94, which has been staked at a location 1850' from the north line and 1850' from the west line of Section 23.

This request for the establishment of a Non-Standard Gas Proration Unit for the Basin Dakota Pool is occasioned by the fact that the NW/4 of Section 23 is within the boundary of the Gallegos Canyon Unit, but the royalty interests of this acreage are not committed to the Gallegos Canyon Unit Agreement. It is Pan American's intention to eventually form a Standard Gas Proration Unit for the Basin Dakota Pool consisting of the N/2 of Section 23 but unless we are successful in obtaining royalty interest commitment of this acreage, a Communitization Agreement between this acreage and the Gallegos Canyon Unit Dakota Participating Area will be necessary. Negotiations among so many owners on the terms of a Communitization Agreement may require a considerable amount of time, and we desire to drill the well immediately and be able to obtain an allowable for it.

The attached map shows the non-standard unit and the ownership of acreage in its vicinity.

In making this application for Administrative approval of a Non-Standard Gas Proration Unit, Pan American states the following:

1. The proposed non-standard unit consists of contiguous quarter-quarter sections or lots.

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Mr. A. L. Porter, Jr.

-2-


February 19, 1962
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2. The proposed non-standard unit lies wholly within a single governmental section.
3. The entire proposed non-standard unit may reasonably be presumed to be productive of gas.
4. The length or width of the non-standard unit does not exceed 5280 feet.
5. Copies of this application are being furnished to all offset working interest owners.

Acreage to the south and east of the proposed non-standard unit is within the Gallegos Canyon Unit which is operated by Pan American.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION


T. M. Gurtis
District Superintendent

GWE:en
Attach.

cc: Redfern & Herd, Inc.
P. O. Box 1747
Midland, Texas

Vincent S. Mulford, Jr.
206 Daniel Building
Tulsa 3, Oklahoma

Mr. Ainslie Perrault
Phil Tower Building
Tulsa 3, Oklahoma

Texaco, Inc.
P. O. Box 3109
Midland, Texas

Mr. J. P. Leyendecker, Jr.
3478½ Main Avenue
Durango, Colorado

(Copies of this application furnished offset working interest owners by Certified Mail.)