

well file

Post Office Box 68
Hobbs, New Mexico

July 1, 1957

FILE: MCM-114-400.1

SUBJECT: Suspected Casing Leaks Pan American
Petroleum Corporation State "A"
Tract 5 No. 8 and McKinley NW/5
No. 1, Hobbs Field

New Mexico Oil Conservation Commission (2)
Box 2045
Hobbs, New Mexico

Attention: Mr. E. J. Fischer

Dear Sir:

This has reference to the discussion held on June 27, 1957 with Messrs. McPhail and Meek of Pan American Petroleum Corporation and yourself regarding possible casing leaks in the State "A" Tract 5 No. 8 and the McKinley NW/5 No. 1.

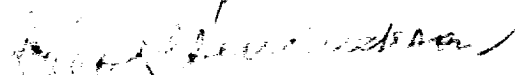
Both wells were found to have similar pressures on the oil and intermediate casing strings during the recent bradenhead pressure surveys indicating the possibility that communication exists between the casing strings. In view of this, additional testing is planned to attempt to locate the source of communication. It is desired to perform this additional pressure testing in order to determine whether actual leaks exists in the casing or if communication may be present in the well head. It appears that the additional testing prior to entering the wells for packer tests is justified in view of the consideration that approximately \$16,000 was expended in packer testing the casing in an unsuccessful search for a leak on McKinley NW/5 No. 1 in 1954.

The seriousness of the matter is fully realized by Pan American Petroleum Corporation inasmuch as possible underground waste may be occurring. However, in regard to the recent publicity given fresh water contamination we wish to point out that on both wells no pressure was noted on the surface casing thereby indicating adequate protection of the subsurface fresh waters is still afforded by the 10-3/4" intermediate or protection string.

As soon as sufficient data is developed on which to base a repair program the necessary authorization will be obtained and whatever work necessary to eliminate communication between the casing strings will be performed.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION


Ralph L. Hendrickson
Field Superintendent

cc: Mr. C. L. Kelley