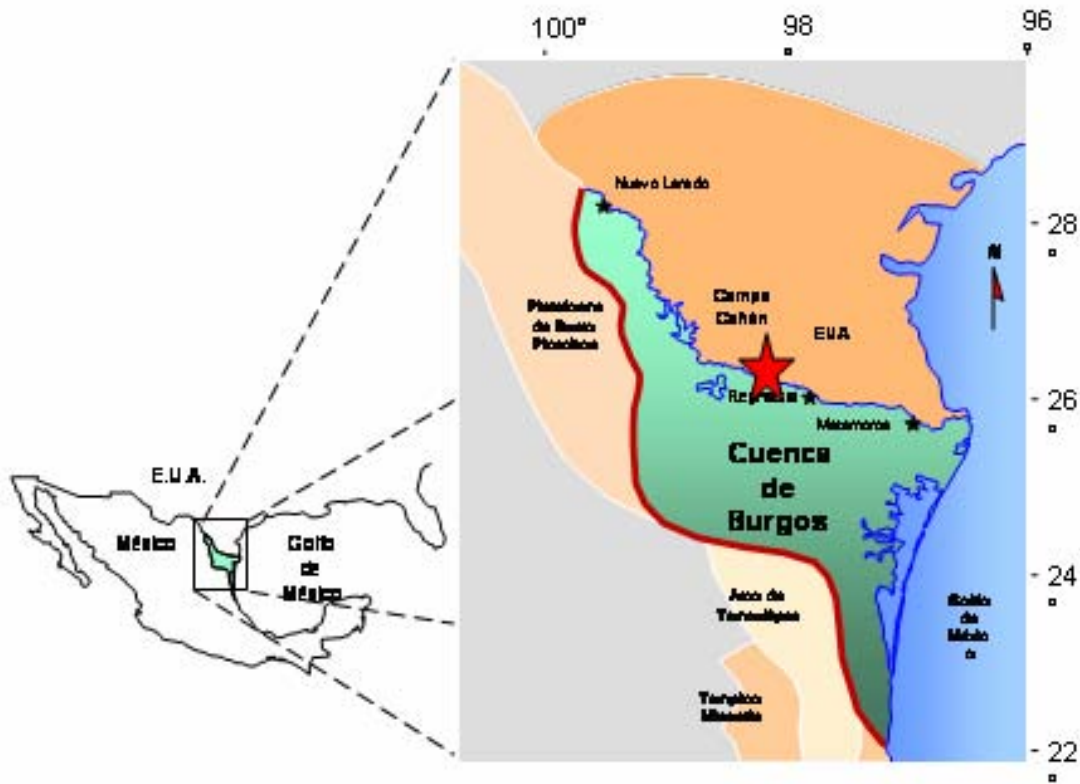


González de la Torre, Hermilo, PEMEX, Exploración y Producción, Reynosa, Tamaulipas, Alvarez Maya, Víctor Manuel, PEMEX, Exploración y Producción, Reynosa, Tamaulipas.

Reactivation of the Cañon Field, Burgos Basin, Mexico

The Cañon field is located in the Northeast part of Mexico, very close to Reynosa, Tamaulipas.

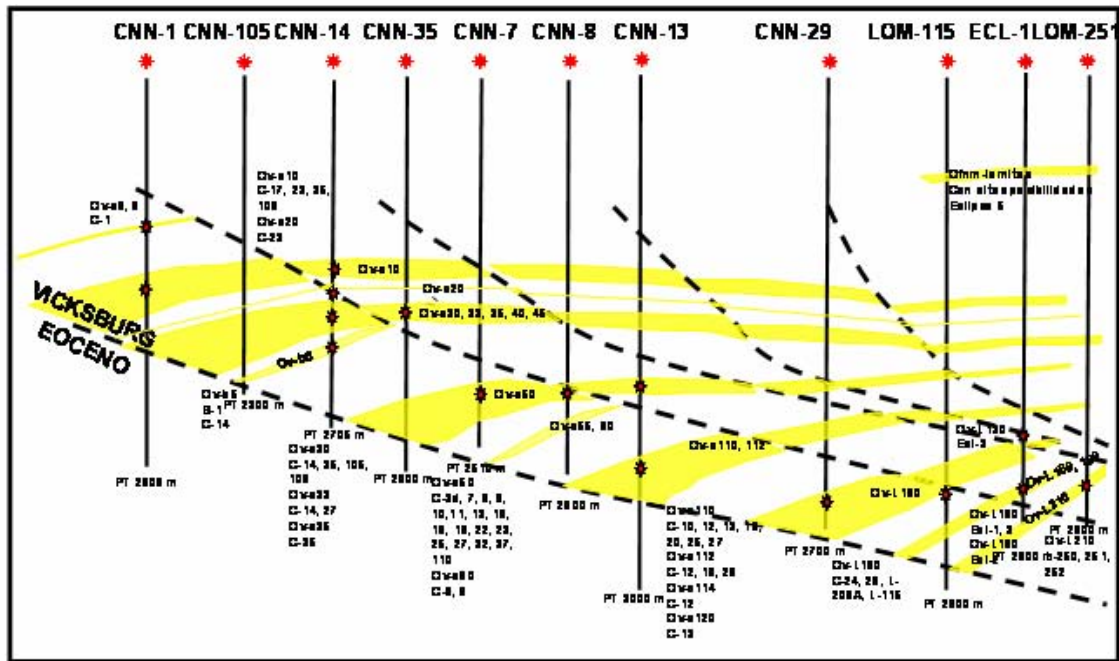
Geologically is located in the Burgos Basin which has an extension of 50000 km² and is the biggest and main producer of non associated gas of Mexico. The Cañon field is in the Oligocene zone and their reservoirs are in a siliciclastic facies in a combined trap.



The Oligocene consists in a series of transgressions and regressions, where the regressions are predominant, and this is the reason of the older layers are on the west side and the younger to the east, and is notable a thickness of sediments in the same direction, this is way the deposit of the sediments is related to a regressive sea, and their coasts, with slight variants, were moving to the east.

The deposits are represented for an succession of shale and sandstones, with different composition according to deposit environment that originated several clastic deposits, mainly shaly of deltaic origin or bars and of course the kind shallow marine; the columns includes rocks of the Vicksburg, Frio Marino, Frio no Marino and Catahoula formations. In the Oligocene formations a lot of facies changes are present, and it makes difficult their identification.

Schematic section West – East Cañon – Lomitas Field



Antecedents and development.

The Cañon field was discovered in the early sixties with the drilling of Cañon 1 well, it was composed for 6 wells, 5 of them were producers and 1 non producer, raising a maximum production of 3.5 mmcfd in the year of 1970 and a cumulative production of 6.7 bcf until 1999.

The reactivation of the Cañon field began in the year 2000, with the drilling of the Exploratory well Bazuka 1, which is producing in the Ov-c10 and Ov-c30 sand; after that, in 2001, the Well Cañon 8 was drilled and is producing in the Ov-c50 sand with a rate of 2.0 mmcfd without a fracture; nevertheless, this sand raises a rate of 6.0 mmcfd in the measurements in the completion process.

Based on the results obtained in the wells Bazuka 1 and Cañon 8, a detailed field correlation was done, after that electrofacies maps were made for the main producer traditional sands of the field (Ov-c10, 30 and 50), this information was used to elaborate the petrophysical models of the area and the seismic reinterpretation.

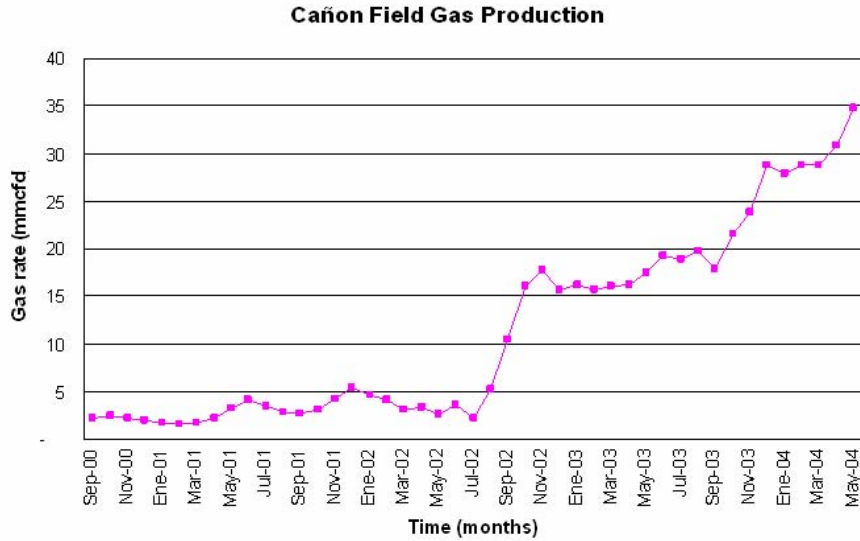
The deposit of the sand Ov-c10 corresponds to a deltaic environment dominated by rivers, the sand Ov-c30 is from a deltaic environment dominated by waves and the sand Ov-c50 is associated to a mouth bar, and the main contribution is coming from the northwest part of the field.

Several build up tests were run in many wells, the results have shown that the original pressure is on the wells and this means that all of them are in different independent blocks with hydraulic units not connected between them.

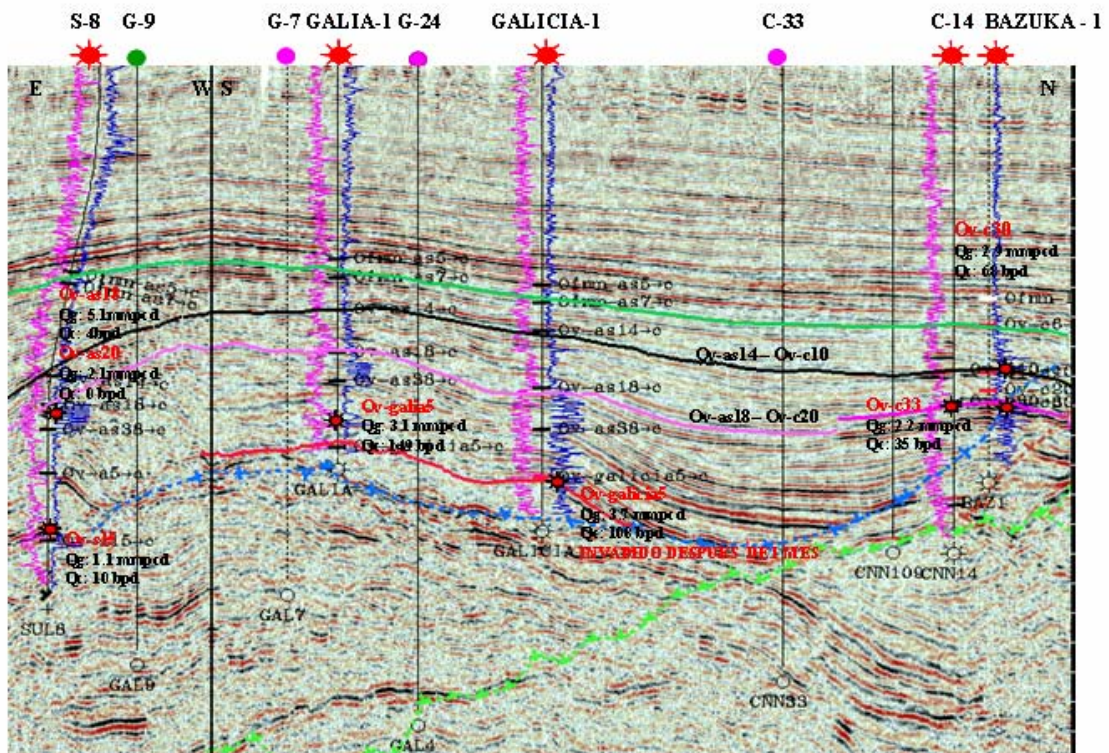
In the year 2002, the Cañon 7 well was workovered in the Ov-c50 sand and it started production with a rate of 3.09 mmcf/d, later five wells were drilled, all of them producers with rates from 2.5 to 7.0 mmcf/d.

In the year 2003, 14 wells were drilled, 12 of them producers and 2 non producers, the rates varied from 1.5 to 4.5 mmcf/d, with a condensate rate of 500 barrels per day; in those wells deeper objectives were included incorporating production of gas and condensate in two new reservoirs Ov-c110 and Ov-c112. In the same year the reactivations of the Lomitas field and the initial development of the Eclipse field, with initial rates varying from 1.8 to 9 mmcf/d, which allow to evaluate the potential of the reservoirs increasing the 3P reserves to 170 bcf in 2003.

In the year 2004 it is planned the drilling of 34 wells in the Cañon, Lomitas and Eclipse fields, until now 14 wells have been drilled with percentage of success of 100 and raising an historical production of 35 mmcf/d.



Also it has been confirmed the continuity of the producing horizons to the other adjacent fields like: Sultan, Galia, Krypton and Arabe; where 25 wells are in program to be drilled in the 2004 and this allow to confirm a portfolio of 128 new locations to be developed from 2005.



Seismic line, showing events continuity between the fields Cañon - Galia - Galicia - Sultan. 2004 strategy: union fields drilling exploratory, infill and strategic wells.