

2005 Wilco Building

Midland, Texas

6 December 1957

U.S. Dept. of Interior
U.S. Geological Survey Department
P.O. Box 187
Artesia, New Mexico

Attention: Mr. Jack Frost

Reference: Welch Unit, Eddy County, New Mexico.

Dear Mr. Frost:

There has been some misunderstanding as to the wells drilled and their respective locations in the Welch Unit, therefore the following unit history is prepared for clarification of the unit wells.

The original well, Welch Unit No. 1, Wildcat test of the Devonian, was plugged and abandoned at 12,853', on May 5, 1956, due to parted casing. This well was located 660 FNL and 660 FWL of Section 21, Township 26 South, Range 27 East, Eddy County, New Mexico.

The second well completed on October 6, 1956, as the Offset or the skidded location to the No. 1 Well, and it was named the Welch Unit 1-X, Wildcat test of the Devonian, located 660 FNL and 766 FWL. This well was the discovery gas well of the Pennsylvanian formation. The field was designated as the Welch Pennsylvanian gas pool producing from 12,502 to 12,522 feet. This production soon depleted and was non-commercial. Permission was granted April 12, 1957 to plug this production and deepen the well to 14,000' to further test the Devonian. The test of the lower Devonian was non-commercial and the well was plugged back and re-completed from the Pennsylvanian.

The relief well was drilled to 1890' T.D. as a control well to the Welch Unit No. 1, which had a parted string of casing, for the purpose of controlling any pressure buildups. This well was not surveyed but estimated to be located at 660 FNL and 560 FWL. This relief well was drilled during the period between the original production of the Welch Unit 1-X and the later deepening operations of the Welch Unit 1-X.

After several months of closely checking for any pressure buildup it was apparent there was no need for the relief well as such. Therefore, we requested permission to deepen the relief well and re-name it the Welch Unit No. 2 well, Wildcat to test the Delaware for oil and gas production. Permission was granted October 21, 1957, and the well deepened to T.D. of 2115', where commercial oil production was encountered in the Delaware

