

April 5, 1960

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

Subject: Intex Oil Company-South Penn USL Alto #1 Well

Dear Mr. Porter:

The purpose of this letter is to secure an exception to Rule #107 as pertains to Intex-South Penn USL Alto #1 Well, Section 5, T. 26 N., R. 1 E., Rio Arriba County, New Mexico.

The subject well, as you know, was originally designed to test Greenhorn and Dakota formations by drilling with cable tools. The casing program for the subject well was designed to assure that all zones to total depth could be protected and tested in a dry hole. A total of 751' of 13 3/8" casing was set through all Mesaverde water sands. These low head water sands (fluid level 400') were excluded as verified by a WSO test by bailing. The hole was then drilled to 1785' at which point a dry hole cave indicated the desirability of running 1785' of 10 3/4" casing as a cave string. Oil was encountered in the fractured shale at 1958' and the well was completed natural on the pump with a total of 1,000' static fluid level of 34° API clean oil in the hole.

Initial production tests on Alto #1 well gave 136 barrels per day clean oil and 100% pump efficiency. Production tests made on March 31, 1960 gave 88 barrels per day of clean oil under identical pumping conditions.

In view of the rapid decline of production from the fractured shale reservoir extension time beyond May 21, 1960 will be required to evaluate Alto #1 well. This request for an extension of six months beyond the date of May 23, 1960 as set forth in Mr. Arnold's letter of February 24, 1960 is based upon the following:



