

STATEMENTS FOR CASE 1792

The Bronco Siluro-Devonian, Mississippian and Wolfcamp Pools are located in Lea County, New Mexico and Yoakum County, Texas. Referring to Exhibit "B" it will be noted the east line of Sections 11 & 14 coincides with the boundary line between New Mexico and Texas, and because of the adjustment of the survey on the east line, the SE/4 of Section 11 contains only 131.07 acres, the NE/4 of Section 11 contains 133.93 acres and the NE/4 of Section 14 contains only 128.20 acres. This deficiency in acreage results in lots of less than 40 acres being formed along the boundary line in New Mexico.

Amerada is owner of oil and gas leases covering the W/2 and SE/4 of the NE/4 of Section 11, Township 13 South, Range 38 East, Lea County, New Mexico and is owner of the Federal "B" No. 2 well located on a governmental lot of 26.61 acres, approximately 1983 feet from the north line and 548.46 feet from the east line of Section 11, presently completed in the Bronco Wolfcamp Pool with top of perforations at 9446 feet.

We propose to plug off the Wolfcamp formation and drill to the Siluro-Devonian to an approximate total depth of 11870 feet, run surveys, set 5 1/2" liner from 9450 to 11870 feet, perforate approximately 25 feet in the Mississippian, 40 feet in the Devonian, acidize the Mississippian with 2000 gallons and the Devonian with 1000 gallons and dual complete as shown on the diagrammatic sketch of the proposed dual completion installation, Exhibit "C" (Expend).

The Amerada's L. W. Ward No. 2 well is located in the NE/4 of the SE/4 of Section 11 and is a dual completion in the Bronco Mississippian and Bronco Siluro-Devonian, authorized by the Commission under Order No. R-1387 dated May 7, 1959, Exhibit "D".

The Bronco Mississippian Pool is now delineated as the SE/4 of Section 11, Township 13 South, Range 38 East by Order No. R-1441 dated July 21, 1959, Exhibit "E".

Order No. R-533 dated October 4, 1954, Exhibit "F", established a 66.61 unit for Federal "B" No. 1 as shown on the original plats of that lease, Exhibit "G". This order should be receded and proration units for Siluro-Devonian production should be established for Federal "B" No. 1 and "B" No. 2 in accordance with Rule 2 of the Special Rules of the Bronco Siluro-Devonian Pool issued as Order No. R-510, Exhibit "H", dated July 15, 1954; the size and shape of the units to be outlined as shown on the plat identified as Exhibit "A".

Amerada further requests assignment of 40 acres to Federal "B" No. 2 for Mississippian production, the size and shape of the unit to be identical with the unit recommended for Siluro-Devonian production. This will be an exception to statewide Rule 104(e).

Exhibit "I" is a copy of drill stem tests of wells surrounding the Federal "B" No. 2 well which establish the Mississippian as productive in the 40 acre tract of Federal "B" No. 2.

Exhibit "J" is a contour map on the top of the Devonian to show that the proposed 80 acres to be assigned, 40 acres to each Federal "B" No. 1 and Federal "B" No. 2, is productive in the Devonian.

Exhibit "K" is Order No. R-328 dated June 10, 1953 which created the Bronco-Siluro-Devonian Pool, Lea County, New Mexico described as follows: All Sections 11 & 14, T 13 S, R 38 E, NNPM.

Exhibit "L" is Order No. R-1453 dated July 31, 1959 which established three 43.69-acre non-standard oil proration units in the Mississippian in the SE/4 of Section 11, T 13 S, R 38 E, NNPM. These are 43.69-acre units on the L. W. Ward lease which offsets the Federal "B" lease to the south.

Exhibit "M" is Order No. R-649 dated June 20, 1955 which established special pool rules for the Bronco-Wolfcamp Oil Pool.