



# United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 26124

Albuquerque, New Mexico 87125

MAR 20 1979

AMOCO Production Company  
Attention: Mr. S. J. Okerson  
P. O. Box 3092  
Houston, Texas 77001

M. 5029

Gentlemen:

All copies of your applications of November 7, 1978 and March 6, 1979, for approval of the tenth, eleventh, and twelfth Delaware participating area revisions of the Old Indian Draw unit, Eddy County, New Mexico, are returned herewith, unapproved, for the following reasons:

1. No production history or reserve-economic analysis for the control wells are furnished to justify the commercial determination of such wells pursuant to the criteria of section 9 of the unit agreement. The only information furnished by your application is the initial potential of the wells involved which were completed in May, June, and July 1977. We need decline curve extrapolations and discounted net worth of the recoverable reserves related to drilling costs and operating expense to justify this determination.

2. No geological report is submitted except for a structure map which seems to indicate that unit well No. 23, one of the wells on which the tenth revision is based, is outside the limits of the line upon which the structural elevation lines close. This map needs some explanation and should be supported by a narrative type geological report.

Automatic elimination became effective for the Old Indian Draw unit agreement on December 15, 1978 and you were required by section 2(e) thereof to describe the area so eliminated within 90 days following such effective date to the satisfaction of the Supervisor. Inasmuch as the delineation of the final participating area must be established before automatic elimination can be finalized, you are hereby requested to submit the completed applications for approval of the tenth, eleventh, and twelfth Delaware participating area revisions with the supporting information described by items 1 and 2 above, within 60 days of the date of this letter.

Sincerely yours,

(ORIG. SGD.) JAMES W SUTHERLAND

Oil and Gas Supervisor, SRMA

cc: NMOCD, Santa Fe ← This Copy for



S. J. Okerson  
Division Operations  
Superintendent

March 6, 1979

**Amoco Production Company**

Houston Region  
500 Jefferson Building  
Post Office Box 3092  
Houston, Texas 77001  
West Texas-Eastern  
New Mexico Division

File: CGF(10)-933-LF

Re: Delaware Participating Area Expansion  
Old Indian Draw Unit  
Eddy County, New Mexico

Mr. J. A. Gilliam (3)  
Acting Area Oil and Gas Supervisor  
United States Department of the Interior  
Geological Survey  
P.O. Drawer 1857  
Roswell, NM 88201

Mr. Joe D. Ramey, Director (3)  
New Mexico Oil Conservation Commission  
P.O. Box 2088  
Santa Fe, NM 87501

Gentlemen:

Please reference our previous letter, dated November 7, 1978, File: CGF(10)-766-LF, in which we applied for expansions to the Delaware Participating Area of the Old Indian Draw Unit, Eddy County, New Mexico. At the request of the USGS, we have revised our application as follows:

Recommendation of the Tenth Expansion is based on the completion of two wells:



Mr. J. A. Gilliam et al  
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March 6, 1979

- (a) Well No. 19 in NE/4 SW/4 of Section 7 on May 2, 1977, pumping 151 barrels of oil and 20 barrels of water per day.
- (b) Well No. 23 in Lot 7 of Section 7 completed on May 29, 1977, pumping 19 barrels of oil and 19 barrels of water per day.


Recommendation of the Eleventh Expansion is based on the completion of three wells:

- (a) Well No. 21 in SW/4 SE/4 of Section 7 completed on June 13, 1977, pumping 104 barrels of oil and 14 barrels of water per day.
- (b) Well No. 24 in NW/4 SE/4 of Section 7 completed on June 30, 1977, pumping 80 barrels of oil and 16 barrels of water per day.
- (c) Well No. 22, in Lot 10 of Section 18, on June 19, 1977, pumping 44 barrels of oil and 0 barrels of water per day.

Recommendation of the Twelfth Expansion is based on the completion of Well No. 35 in the NE/4 SE/4 of Section 7, on July 26, 1977, pumping 34 barrels of oil and 30 barrels of water per day.

In addition, we have attached revised participating schedules for each expansion, a map which graphically portrays each expansion, and, at the request of the USGS, a structure map of the unit. Your favorable consideration is respectfully requested.

Yours very truly,



KWB/slv  
147/D(4)

Attachments

OLD INDIAN DRAW UNIT (NO. 522059)  
DELAWARE PARTICIPATING ACREAGE SCHEDULE  
AFTER TENTH EXPANSION EFFECTIVE MAY 1, 1977

UNIT TRACT NO.	ACREAGE DESCRIPTION	LEASE NUMBER	NO. ACRES	PARTICIPATION PERCENT-DECIMAL	WELLS NOS. INVOLVED
3	NW/4 SE/4, Section 18, T22S, R28E	NM-0415688-A (USA)	40.00	.062195	1
3	SW/4 SE/4, Section 18, T22S, R28E	NM-0415688-A (USA)	40.00	.062195	2
2	NW/4 NE/4, Section 19, T22S, R28E	NM-0415461 (USA)	40.00	.062195	3
3	SW/4 NE/4, and Lot 9, Section 18, T22S, R28E	NM-0415688-A (USA)	76.18	.118450	5, 6
3	Lot 8, Lot 12, and SE/4 SE/4, Section 18, T22S, R28E	NM-0415688-A (USA)	112.40	.174768	7, 8, 9
3	Lot 5, Section 18, T22S, R28E	NM-0415688-A (USA)	36.38	.056566	10
2	NE/4 NE/4, Section 19, T22S, R28E	NM-0415461 (USA)	40.00	.062195	11
3	Lot 7, Section 18, T22S, R28E	NM-0415688-A (USA)	34.43	.053534	12
3	Lot 6, Section 18, T22S, R28E	NM-0415688-A (USA)	34.39	.053472	13
6	SE/4 SW/4, Section 7, T22S, R28E	Fee-unsigned royalty	40.00	.062195	14
3	NW/4 NE/4, Section 18, T22S, R28E	NM-0415688-A (USA)	40.00	.062195	15
4	Lot 8, Section 7, T22S, R28E	NM-0429825 (USA)	34.44	.053549	16
6	NE/4 SW/4, Section 7, T22S, R28E	Fee-unsigned royalty	40.00	.062195	19
4	Lot 7, Section 7, T22S, R28E	NM-0429825 (USA)	<u>34.92</u>	<u>.054296</u>	23
			643.14	1.000000	

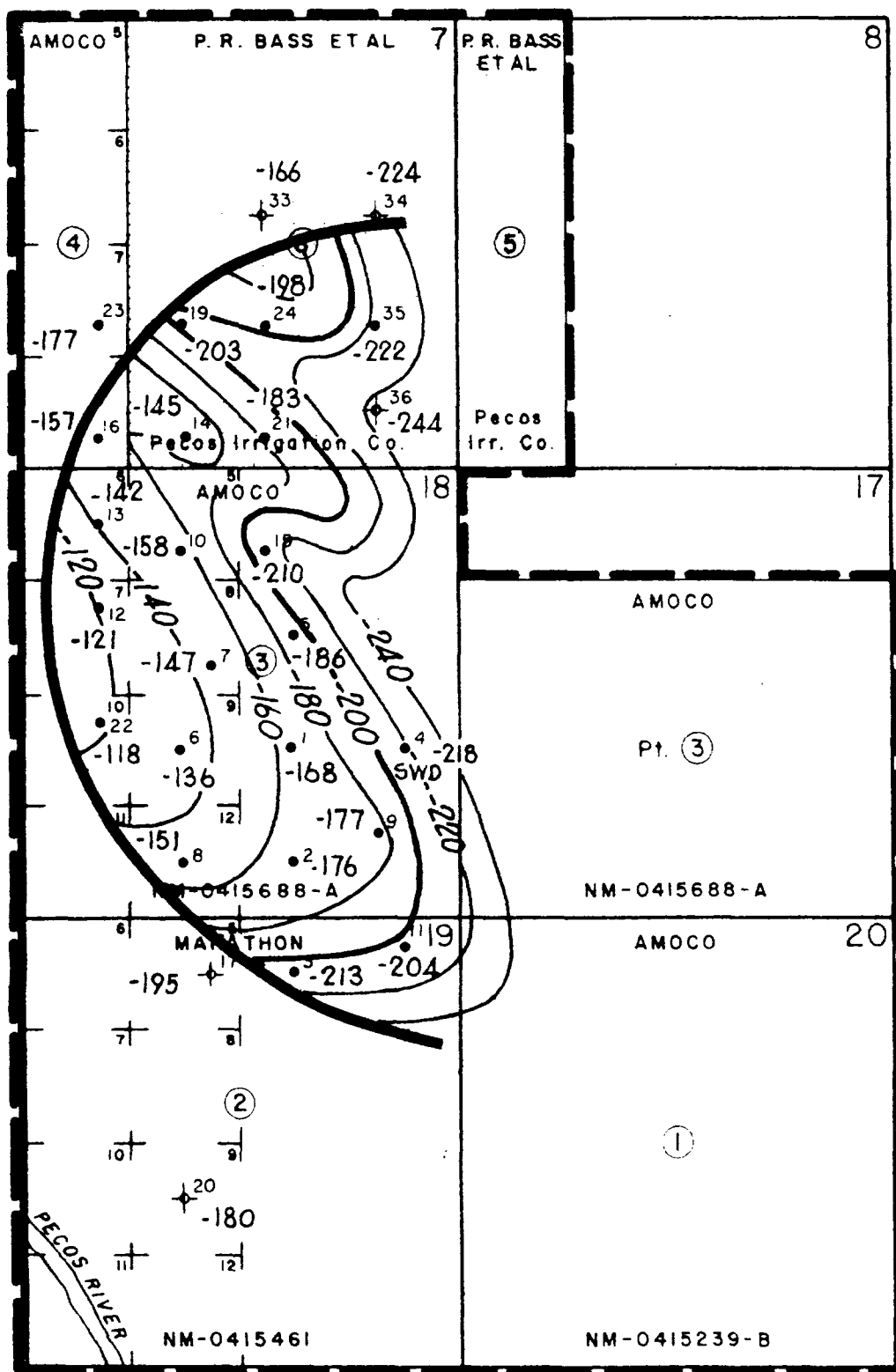
OLD INDIAN DRAW UNIT (NO. 522059)  
DELAWARE PARTICIPATING ACREAGE SCHEDULE  
AFTER ELEVENTH EXPANSION EFFECTIVE MAY 1, 1977

UNIT TRACT NO.	ACREAGE DESCRIPTION	LEASE NUMBER	NO. ACRES	PARTICIPATION PERCENT-DECIMAL	WELLS NOS. INVOLVED
3	NW/4 SE/4, Section 18, T22S, R28E	NM-0415688-A (USA)	40.00	.052800	1
3	SW/4 SE/4, Section 18, T22S, R28E	NM-0415688-A (USA)	40.00	.052800	2
2	NW/4 NE/4, Section 19, T22S, R28E	NM-0415461 (USA)	40.00	.052800	3
3	SW/4 NE/4, and Lot 9, Section 18, T22S, R28E	NM-0415688-A (USA)	76.18	.1005570	5, 6
3	Lot 8, Lot 12, and SE/4 SE/4, Section 18, T22S, R28E	NM-0415688-A (USA)	112.40	.148367	7, 8, 9
3	Lot 5, Section 18, T22S, R28E	NM-0415688-A (USA)	36.38	.048021	10
2	NE/4 NE/4, Section 19, T22S, R28E	NM-0415461 (USA)	40.00	.052800	11
3	Lot 7, Section 18, T22S, R28E	NM-0415688-A (USA)	34.43	.045448	12
3	Lot 6, Section 18, T22S, R28E	NM-0415688-A (USA)	34.39	.045394	13
6	SE/4 SW/4, Section 7, T22S, R28E	Fee-unsigned royalty	40.00	.052800	14
3	NW/4 NE/4, Section 18, T22S, R28E	NM-0415688-A (USA)	40.00	.052800	15
4	Lot 8, Section 7, T22S, R28E	NM-0429825 (USA)	34.44	.045460	16
6	NE/4 SW/4, Section 7, T22S, R28E	Fee-unsigned royalty	40.00	.052800	19
4	Lot 7, Section 7, T22S, R28E	NM-0429825 (USA)	34.92	.046094	23
6	SW/4 SE/4 and NW/4 SE/4, Section 7, T22S, R28E	Fee-unsigned royalty	80.00	.105599	21, 24
3	Lot 10, Section 18, T22S, R28E	NM-0415688-A	<u>34.44</u>	<u>.045460</u>	22
			757.58	1.000000	

OLD INDIAN DRAW UNIT (NO. 522059)  
DELAWARE PARTICIPATING ACREAGE SCHEDULE  
AFTER TWELFTH EXPANSION EFFECTIVE MAY 1, 1977

UNIT TRACT NO.	ACREAGE DESCRIPTION	LEASE NUMBER	NO. ACRES	PARTICIPATION PERCENT-DECIMAL	WELLS NOS. INVOLVED
3	NW/4 SE/4, Section 18, T22S, R28E	NM-0415688-A (USA)	40.00	.050152	1
3	SW/4 SE/4, Section 18, T22S, R28E	NM-0415688-A (USA)	40.00	.050152	2
2	NW/4 NE/4, Section 19, T22S, R28E	NM-0415461 (USA)	40.00	.050152	3
3	SW/4 NE/4, and Lot 9, Section 18, T22S, R28E	NM-0415688-A (USA)	76.18	.095514	5, 6
3	Lot 8, Lot 12, and SE/4 SE/4, Section 18, T22S, R28E	NM-0415688-A (USA)	112.40	.140926	7, 8, 9
3	Lot 5, Section 18, T22S, R28E	NM-0415688-A (USA)	36.38	.045613	10
2	NE/4 NE/4, Section 19, T22S, R28E	NM-0415461 (USA)	40.00	.050152	11
3	Lot 7, Section 18, T22S, R28E	NM-0415688-A (USA)	34.43	.043168	12
3	Lot 6, Section 18, T22S, R28E	NM-0415688-A (USA)	34.39	.043118	13
6	SE/4 SW/4, Section 7, T22S, R28E	Fee-unsigned royalty	40.00	.050152	14
3	NW/4 NE/4, Section 18, T22S, R28E	NM-0415688-A (USA)	40.00	.050152	15
4	Lot 8, Section 7, T22S, R28E	NM-0429825 (USA)	34.44	.043180	16
6	NE/4 SW/4, Section 7, T22S, R28E	Fee-unsigned royalty	40.00	.050152	19
4	Lot 7, Section 7, T22S, R28E	NM-0429825 (USA)	34.92	.043782	23
6	SW/4 SE/4 and NW/4 SE/4, Section 7, T22S, R28E	Fee-unsigned royalty	80.00	.100303	21, 24
3	Lot 10, Section 18, T22S, R28E	NM-0415688-A	34.44	.043180	22
6	NE/4 SE/4, Section 7, T22S, R28E	Fee-unsigned royalty	<u>40.00</u>	<u>.050152</u>	35

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FEDERAL LEASES
NM-0415239-B
NM-0415461
NM-0415688-A
NM-0429825

# LEGEND

- FEDERAL LAND
- FEE LAND
- ① TRACT NUMBER
- UNIT BOUNDARY



TOP OF DELAWARE SAND  
C.I. = 20'

OLD INDIAN DRAW UNIT  
EDDY COUNTY, NEW MEXICO

SCALE: 1" = 2000'

December, 1978