

NSL-659

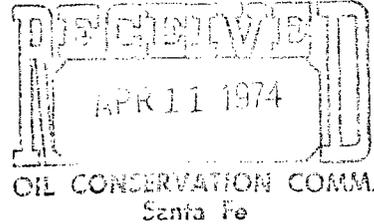
AMERICAN TRADING AND PRODUCTION CORPORATION

WESTERN UNITED LIFE BUILDING
POST OFFICE DRAWER 992
MIDLAND, TEXAS 79701

A. C. 915
684-4463

*OK for
immediate approval*

April 10, 1974



Mr. A. L. Porter
Secretary-Director
N.M.O.C.C.
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Chapparral-Federal No. 1
Eddy County, New Mexico
Exception to Statewide
Rule 104-C,
Acreage and Well Location
Requirements for Develop-
ment Wells

Dear Mr. Porter:

It is respectfully requested that an exception be granted to the above captioned rule. American Trading and Production Corporation (Atapco) proposes to drill a development well, to the Canyon Formation, 2310' FNL and 660' FEL of Section 17, T-24-S, R-24-E, Eddy County, New Mexico. The proposed depth is 8750 feet. This request is made for two reasons: (1) The topography, as shown on the attached aerial photograph, is very rough, and (2) the U. S. Geological Survey will not approve the assignment of the East half of Section 17 to this well as a proration unit. This is because of 40 acres of fee land in the SE/4 of Section 17 which the USGS will not permit to be communitized with the 280 acres of Federal acreage. To conform to the minimum distances of 1980 feet from the nearest end boundary and 660 feet from the nearest side boundary, as set out in the above rule, is not possible because the Board of Land Management has indicated that they will not approve any location in the west half of the NE/4 or the NW/4 of the section. As can be seen, the selected location is not unorthodox provided the east half of the section is designated as the proration unit but is unorthodox if the north half is the assigned proration unit.

Attached is a plat indicating the proposed location and an aerial photograph of the area. Note the very rough topography in the area and that the location is in a canyon that is fairly accessible by an existing road. Cost estimates to

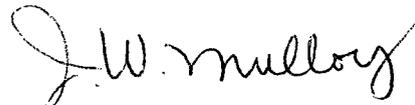
Mr. A. L. Porter
April 10, 1974
Page 2

build a road and pad have been made on various locations in the area. They range from \$10,000 to \$15,000 provided the location is in the canyon and \$25,000 to \$30,000 if it is on a high area.

Waivers from all offset operators are attached, except for Inexco Oil Company and Suburban Propane Gas Corporation, and they have been contacted by phone and will indicate their approval by wire. Also attached are copies of New Mexico Oil Conservation Commission Form C-102, and U.S.G.S. Form 9-331C. The originals and required copies have been filed with the U.S.G.S. in the normal manner.

Based on the above, it is again requested that an unorthodox location of 2310' FNL and 660' FEL, with the N/2 of Section 17 being the assigned proration unit, be approved because of topographical conditions and the U.S.G.S. ruling.

Yours very truly,



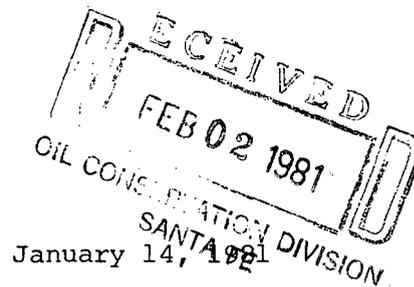
J. W. Mulloy
Production Manager

JWM:vc
Attachments
cc - U.S.G.S.
Drawer "U"
Artesia, New Mexico 88210



207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1331

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.



Mr. Joe D. Ramey, Secretary-Director
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87503

Re: Non-standard Location Reentry
Chaparrel - Federal #1
2310' FNL and 660' FEL
H-17-24S-24E N/2 dedication

Dear Sir:

The original operators, American Trading and Production Corporation, received administrative approval to drill and produce from Canyon formation. This administrative order #NSL - 659 was issued 4/12/74.

Presently, Yates Petroleum Corporation, the new operator, has reentered the well and is requesting administrative approval to produce from the morrow formation,

Sincerely,

Yates Petroleum Corporation

Gliserio "Rod" Rodriguez
by: Johnny Lopez
Johnny Lopez, Regulatory Coordinator

WAIVER:

We have no objection to produce from morrow of the captioned well in the non-standard location and hereby grant waiver to do so.

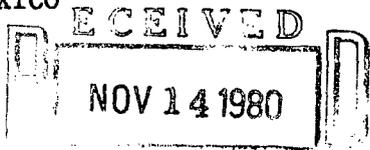
Moore Cannon

Maralo, Inc.
4600 Post Oak Place
Suite 307
Houston, TX 77027

OIL CONSERVATION COMMISSION
Byler DISTRICT

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE November 10, 1980



OIL CONSERVATION DIVISION
SANTA FE

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL α _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated November 7, 1980
for the E.P.M. Co. S. J. 29-4 Unit # 24 G-8-29N-4w
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours very truly,

Frank S. Perry

Other:

Very truly yours,
R. L. Stamets
R. L. STAMETS
Technical Support Chief

RLS/dr



ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

December 17, 1980

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Yates Petroleum Corporation
207 South Fourth Street
Artesia, New Mexico 88210

Re: Application for Non-Standard
Location: Chaparral Federal
Well No. 1, Sec. 17, T-24-S, R-24-E,
Eddy County

We may not process the subject application for non-standard location until the required information or plats checked below (is) (are) submitted.

A plat must be submitted clearly showing the ownership of the offsetting leases.

A statement must be submitted that offset owners have been notified of the application by certified mail.

A plat must be submitted fully identifying the topography necessitating the non-standard location.

Other:

Very truly yours,

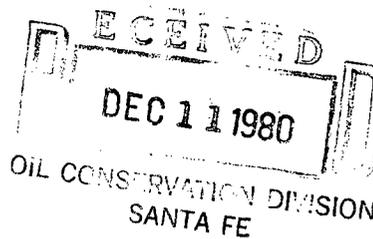
R. L. STAMETS
Technical Support Chief

RLS/dr



207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331



S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

December 8, 1980

Mr. Joe D. Ramey, Secretary-Director
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87503

Re: Lease NM-12829
Chaparral Federal #1
Section 17, T24S, R24E
2310' FNL and 660' FEL
Eddy County, NM

Dear Sir:

The above captioned well was spudded on April 27, 1974 by American Trading and Production Company under Administrative Order #NSL-659, issued April 12, 1980. This order depicted the Canyon formation as the major objective. Eventually the well was abandoned on June 12, 1974.

Yates Petroleum has since reentered this well and plans to complete it in the Lower Morrow. This leads us to request the Order #NSL-659 be amended to list the Morrow formation as the primary objective and the intermediate formations as secondary objectives.

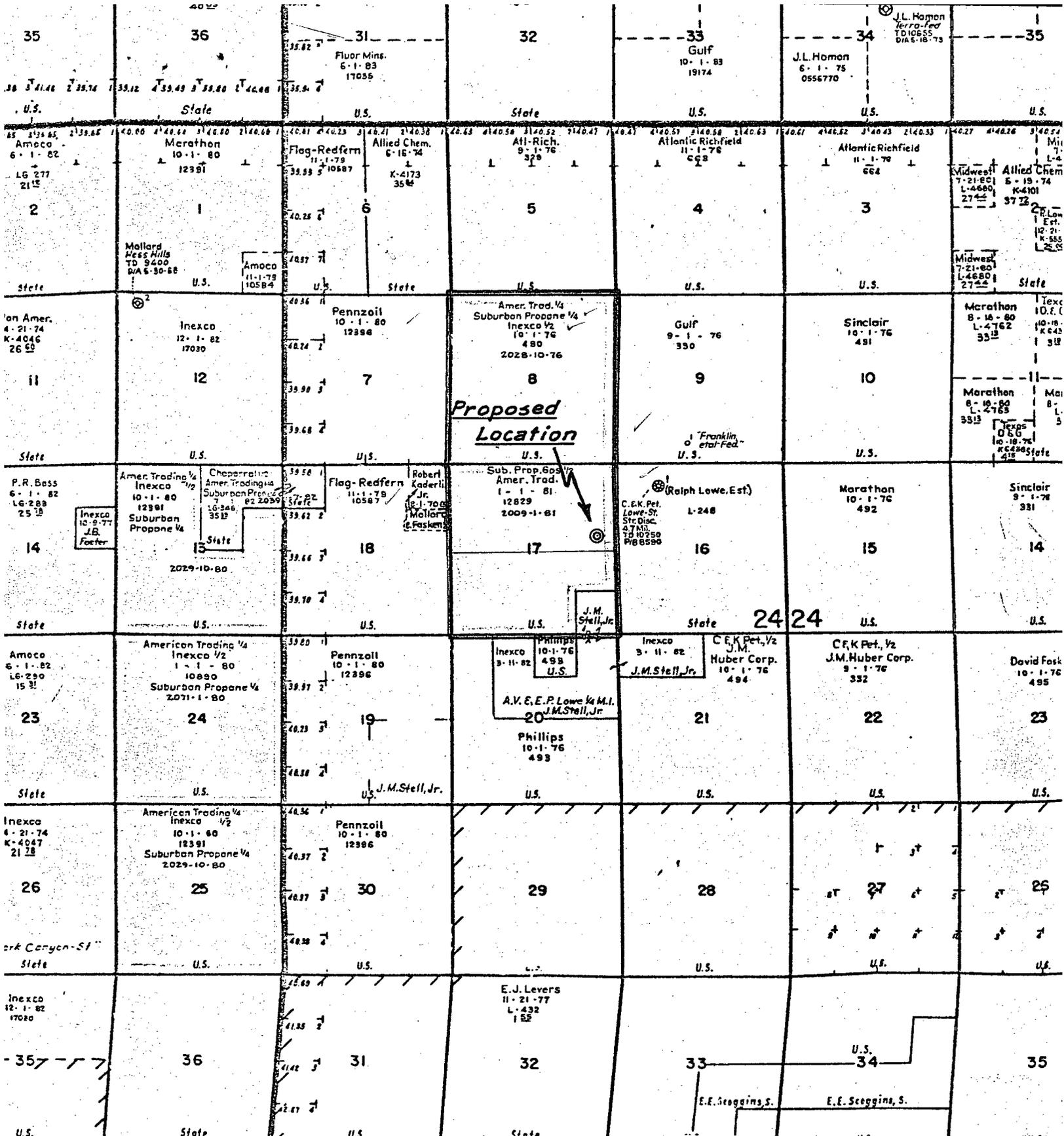
This lease has to be producible by the end of this year, thus requiring us to ask for an expeditious approval.

Very truly yours,

Yates Petroleum Corporation


Gliserio Rodriguez

GR/rb



Proposed Location

CAVERNS

ATAPCO

LAND PLAT
 Chaparral Federal No.1
 2310' FNL & 660' FEL
 Section 17', T-24-S R-24-E
 Eddy County, New Mexico

ATAPCO ACREAGE

PRORATION UNIT

AMERICAN TRADING AND PRODUCTION CORPORATION

WESTERN UNITED LIFE BUILDING

POST OFFICE DRAWER 992

MIDLAND, TEXAS 79701

A. C. 915
684-4463

April 10, 1974

OFFSET OPERATORS
(List Attached)

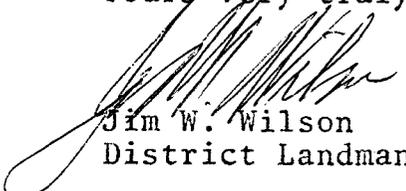
Re: Waiver of Objection to
Unorthodox Location
Dark Canyon Area
Eddy County, New Mexico

Gentlemen:

Because of the extremely rough topography of Section 17, Township 24 South, Range 24 East, Eddy County, New Mexico, we are requesting the New Mexico Oil Conservation Commission to approve an unorthodox location for the drilling of an 8700-foot Canyon test to be located 2310 feet from the North line and 660 feet from the East line of Section 17, T-24-S, R-24-E with the North One-half of Section 17 to be dedicated as the proration unit.

We would like to request a waiver from each of you as the offsetting Operators to the above location. If this meets with your approval, please sign and return one (1) copy of this letter evidencing your consent to the above location.

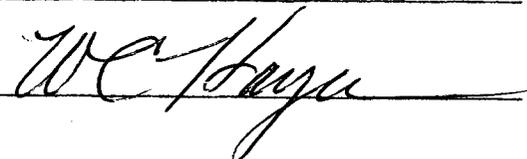
Yours very truly,


Jim W. Wilson
District Landman

This will advise that we have no objections to American Trading and Production Corporation's unorthodox location 2310 feet FNL and 660 feet FEL of Section 17, T-24-S, R-24-E, Eddy County, New Mexico.

Pennzoil Company

Dated April 10th, 1974.

By 

JWW:rd

Mailing List
Offset Operators - Dark Canyon Area
Eddy County, New Mexico

C & K Petroleum Inc.
Midland National Bank Bldg.
Midland, Texas 79701
Attn: Mr. Gill Thompson

Pennzoil Company
P. O. Drawer 1828 ✓
Midland, Texas 79701
Attn: Mr. James A. Davidson

Gulf Oil Corporation - U.S.
P. O. Box 1150
Midland, Texas 79701
Attn: Mr. J. L. Pike,
Dist. Production Mgr.

Flag-Redfern Oil Company
Box 23
Midland, Texas 79701
Attn: Mr. Earl Rogers

Inexco Oil Company
1100 Milam Bldg., Ste. 1900
Houston, Texas 77000
Attn: Mr. J. C. Forney

Suburban Propane Gas Corporation
2120 Alamo National Building
San Antonio, Texas 78205
Attn: Mr. J. C. Eldred

AMERICAN TRADING AND PRODUCTION CORPORATION

WESTERN UNITED LIFE BUILDING
POST OFFICE DRAWER 992
MIDLAND, TEXAS 79701

A. C. 915
684-4463

April 10, 1974

OFFSET OPERATORS
(List Attached)

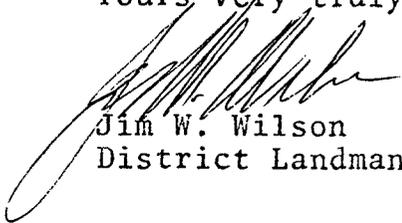
Re: Waiver of Objection to
Unorthodox Location
Dark Canyon Area
Eddy County, New Mexico

Gentlemen:

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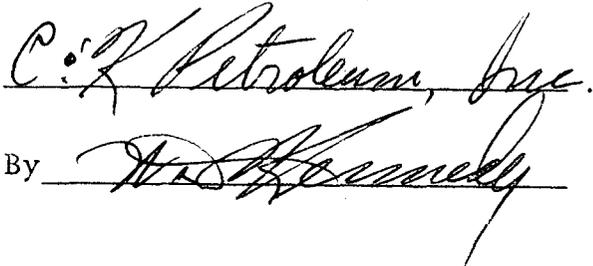
We would like to request a waiver from each of you as the offsetting Operators to the above location. If this meets with your approval, please sign and return one (1) copy of this letter evidencing your consent to the above location.

Yours very truly,


Jim W. Wilson
District Landman

This will advise that we have no objections to American Trading and Production Corporation's unorthodox location 2310 feet FNL and 660 feet FEL of Section 17, T-24-S, R-24-E, Eddy County, New Mexico.

Dated April 10th, 1974.

By 

JWW:rd

MGMABQC ABQ
2-034404E100 04/10/74
ICS IPMBNGZ CSP
7132373424 MGM TDBN HOUSTON TX 100 04-10 0508P EDT
ZIP 87501

Mailgram
western union



A L PORTER
NEW MEXICO OIL CONSERVATION COMMISSION BOX 2088
SANTA FE NM 87501

RECEIVED
APR 11 1974
OIL CONSERVATION COMM.
Santa Fe

INEXCO OIL COMPANY HAS NO OBJECTION TO THE UNORTHODOX LOCATION
(2,310 FEET FROM NORTH LINE AND 660 FEET FROM EAST LINE OF SECTION
17, T24S-R23E, EDDY COUNTY NEW MEXICO) PROPOSED BY AMERICAN
TRADING AND PRODUCTIONS CORP FOR ITS NUMBER ONE DARK CANYON
WELL

ROBERT M WIGGINS EXPLOITATION LAND MANAGER

1709 EDT

MGMABQC ABQ

**UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
American Trading and Production Corporation

3. ADDRESS OF OPERATOR
P. O. Drawer 992, Midland, Texas 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
2310' FNL & 660' FEL, Sec. 17, T-24-S, R-24-E
 At proposed prod. zone
Same as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
9 miles N.W. White City

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
660'

16. NO. OF ACRES IN LEASE
640

17. NO. OF ACRES ASSIGNED TO THIS WELL
320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
None

19. PROPOSED DEPTH
8750'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
GR

22. APPROX. DATE WORK WILL START*

5. LEASE DESIGNATION AND SERIAL NO.
NN 490

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Chaparral-Federal

9. WELL NO.
1

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA
17 - 24 - 24

12. COUNTY OR PARISH | 13. STATE
Eddy | N.M.

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48#	30'	2 sx.
12-1/4"	8-5/8"	24#	2500'	1000 sx.
7-7/8"	5-1/2"	15# & 17#	8750'	500 sx.

1. Drill 17 1/2" hole 30' w/spud mud & set 13-3/8" conductor pipe.
2. Drill 12-1/4" & 11" hole to 2500' w/fresh water gel & lost circulation as required.
3. Set & cement 8-5/8", 24# J-55 casing at 2500' w/cmt. circulated to surface.
4. Drill 7-7/8" hole to 8500' w/fresh water & mud as required.
5. Run DST & logs.
6. Set 5-1/2" 15# & 17# casing to T.D. and cmt. with approximately 500 sx. cmt.
7. Perforate and test Pay Zone.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED J. W. Mulloy TITLE Production Manager DATE 4-10-74
 (This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

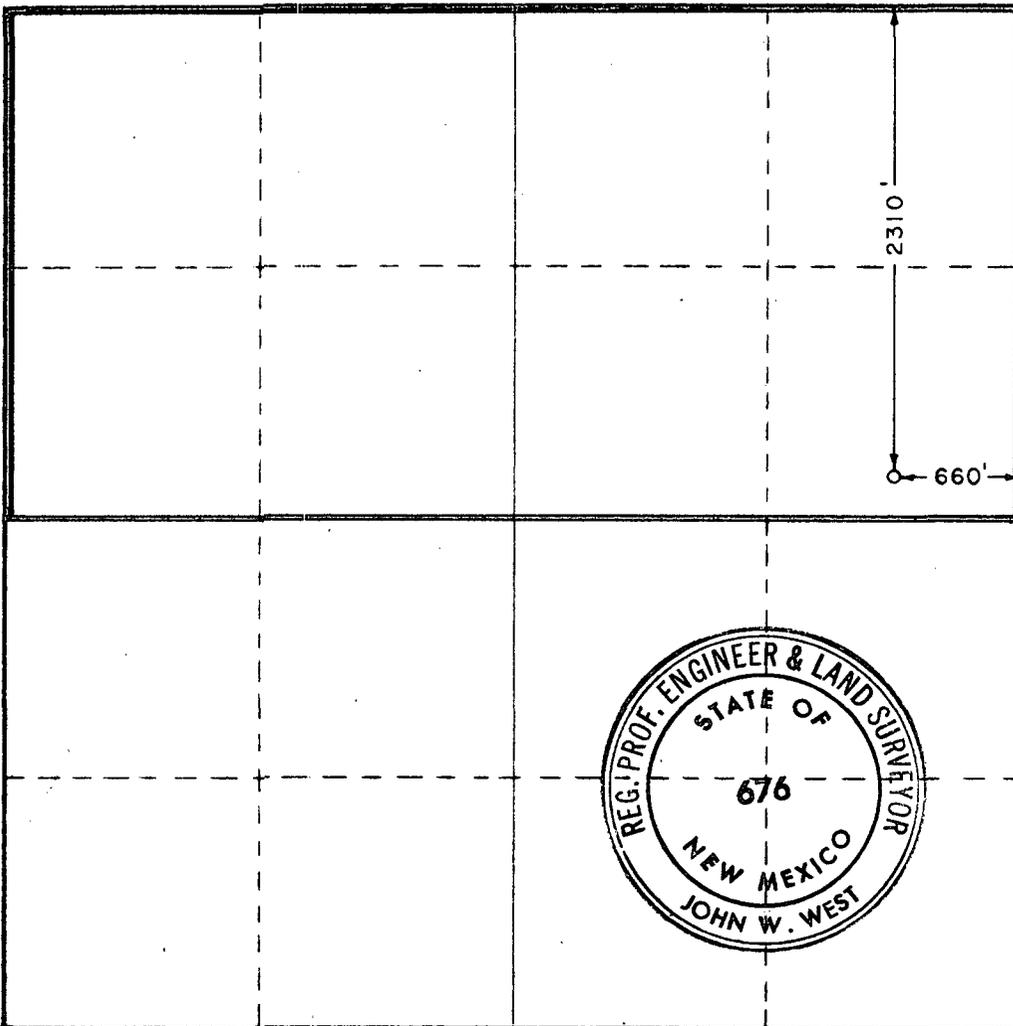
Operator AMERICAN TRADING & PRODUCTION CORP.		Lease CHAPARRAL FED		Well No. 1
Unit Letter H	Section 17	Township 24 SOUTH	Range 24 EAST	County EDDY
Actual Footage Location of Well: 2310' feet from the NORTH line and 660 feet from the EAST line				
Ground Level Elev. 4127.3	Producing Formation Canyon	Pool Undesignated Canyon	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

J. W. Mulloy
Name **J. W. Mulloy**

Position **Production Manager**
American Trading and Production Corporation
Company

Date **4-9-74**

Date

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

APRIL 5, 1974

Registered Professional Engineer and/or Land Surveyor

John W. West
Certificate No. **676**

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500

AMERICAN TRADING AND PRODUCTION CORPORATION

WESTERN UNITED LIFE BUILDING
POST OFFICE DRAWER 992
MIDLAND, TEXAS 79701

A. C. 915
684-4463

April 10, 1974

United States Department of the Interior
Geological Survey
Drawer "U"
Artesia, New Mexico 88210

Re: Surface Development Plan for
the Application to Drill the
Atapco Chaparral-Federal No. 1,
Eddy County, New Mexico
2310' FNL and 660' FEL
Sec. 17, T-24-S, R-24-E

Gentlemen:

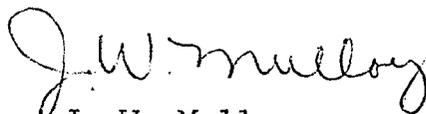
The surface development plan for the proposed Chaparral-Federal No. 1 is as follows:

1. Existing roads are shown on the attached plat.
2. Planned access road will be a continuation of an existing road. See attached plat.
3. Location of Wells - see attached plat.
4. Lateral roads to wells location - none.
5. Location of tank batteries and flow lines - none on lease. Battery is to be installed on location if well is productive.
6. Location and types of water supply - no water available in area. Water is to be hauled to proposed location.
7. Methods of handling waste disposal - waste to be burned or buried at job completion.
8. Location of Camps - none.
9. Location of airstrips - none.
10. Location layout - see attached drawing.

U.S. Dept. of the Interior
April 10, 1974
Page 2

11. Plans for restoration of surface - all waste, scrap, empty containers, etc. will be disposed of and the pits are to be filled and leveled as soon as is practical after completion of work.
12. Other essential information - none.

Yours very truly,


J. W. Mulloy
Production Mgr.

JWM:vc

Attachments

AMERICAN TRADING AND PRODUCTION CORPORATION

WESTERN UNITED LIFE BUILDING
POST OFFICE DRAWER 992
MIDLAND, TEXAS 79701

A. C. 915
684-4463

April 10, 1974

United States Department of the Interior
Geological Survey
Drawer "U"
Artesia, New Mexico 88210

Re: Chaparral-Federal #1
2310' FNL and 660' FEL
Sec. 17, T-24-S, R-24-E

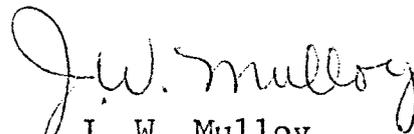
Gentlemen:

The mud program will be as follows on the captioned well:

0' - 30'	Spud Mud
30' - 2800'	Fresh water w/additives as required.
2800' - 7800'	Fresh water.
7800' - T.D.	Fresh water - gel, low solids, non-dispersed mud w/additives for fluid loss. Mud to be 8.8 - 9#/gal; viscosity 34-38 sec. and water loss of 10 cc or less.

Blow-out preventer, stack and well head shall be pressure tested at 7800' and P.V.T. equipment and flow sensor installed.

Yours very truly,


J. W. Mulloy
Production Mgr.

JWM:vc

4-26-58

DEO-23T-56

Atapue
#1 Chapparal Fed.

17-24S-24E
Eddy Co., N.M.
Scale Approx. 1:25,000