

*NSP-807
issue 5-9-69
statewide rule*

AMERICAN TRADING AND PRODUCTION CORPORATION
PETROLEUM LIFE BUILDING
POST OFFICE DRAWER 992
MIDLAND, TEXAS 79701

A. C. 915
684-4463

APR 9 1969
April 8, 1969

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Secretary-Director

Eng

Re: Extension of Osudo (Morrow) North, and
Request for Non-Standard Unit, and
Request for Unorthodox Location
Lea County, New Mexico

Gentlemen:

Reference is made to Commission Order No. R-3710, dated March 20, 1969, creating the West Osudo-Morrow Gas Pool with 320-acre spacing for the American Trading and Production Corporation Southeast Lea Unit Well No. 2, located in Unit L of Section 25, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico.

American Trading and Production Corporation, as Operator under the Southeast Lea Unit Agreement embracing the Southwest One-Quarter (SW 1/4) of Section 25 together with other lands in Sections 26, 27, 35 and 36, Township 20 South, Range 35 East, caused to be drilled a Devonian (oil) test well pursuant to the terms of the unit agreement, and permitted by the Oil Conservation Commission, located 660 feet from the West line and 1830 feet from the South line of said Section 25, said well being completed on or about December 29, 1968 at a total depth of 14,643 feet, for a total cost of approximately \$794,000.00. The test well was dry in the Devonian formation and was completed to produce gas-condensate from the Wolfcamp formation through perforations from 11,410 feet to 11,422 feet and gas-condensate from the Morrow formation through perforations from 12,856 feet to 13,082 feet.

On a 24-hour potential test of the Morrow formation, the No. 2 Unit Well flowed gas through a 16/64ths inch choke at a rate of 134 MCFPD plus 1.78 barrels of condensate daily, with initial tubing pressure of 2283 psi and final tubing pressure of 93 psi.

The above production data reflect that the Morrow formation is, at best, a marginal completion and, the poor economic status coupled with the Southeast Lea Unit land position of controlling only 160 acres in said Section 25, prompt us to apply to the Commission for the following exception under Order No. R-3710 and under the Statewide Well Spacing Rule 104-C-II (a).

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Rule 104-D-II, Providing an exception to the requirement of a 320-acre standard unit for a defined gas pool of Pennsylvanian age. The non-standard unit for the No. 2 Southeast Lea Unit, Morrow completion, herein applied for is the Southwest One-Quarter (SW 1/4) of Section 25, Township 20 South, Range 35 East, said non-standard unit consisting of quarter-quarter sections that are contiguous by a common bordering side, lying wholly within a single governmental section, and containing less acreage than a standard unit.

We are enclosing with this application a plat showing the location of the No. 2 Southeast Lea Unit as well as the boundaries of the Unit area, together with all offset operators to the aforesaid Section 25. Each offset operator has been furnished by certified mail a copy of this application.

American Trading and Production Corporation, as operator of the No. 2 Southeast Lea Unit, respectfully requests that the Commission grant the hereinabove requested exception to Order No. R-3710.

Respectfully submitted,

AMERICAN TRADING AND
PRODUCTION CORPORATION

By J. T. Dickerson

J. T. Dickerson
Land Manager
Oil & Gas Division

JTD:rd

cc: OCC
P. O. Box 1980
Hobbs, N.M. w/attachments

List of offset operators to whom a copy of the attached application has been furnished:

Marathon Oil Company
P. O. Drawer 1398
Roswell, N. M. 88201

Humble Oil & Refining Co.
P. O. Box 1600
Midland, Texas 79701

Phillips Petroleum Company
P. O. Box 791
Midland, Texas 79701

Gulf Oil Corporation
P. O. Box 1938
Roswell, N. M. 88201

Texaco Inc.
P. O. Box 2248
Roswell, N. M. 88201

Jake L. Hamon
Vaughn Bldg.
Midland, Texas 79701

Robert K. Hillin
Vaughn Bldg.
Midland, Texas 79701

McAlester Fuel Company
Box 608
Lovington, New Mexico 88260

T. F. Hodge
901 W. Missouri
Midland, Texas 79701

Superior Oil Company
P. O. Box 1900
Midland, Texas 79701

Pan American Petroleum Corp.
P. O. Box 1410
Ft. Worth, Texas 76101

Sinclair Oil & Gas Company
P. O. Box 1470
Midland, Texas 79701

Ralph Lowe Estate
P. O. Box 832
Midland, Texas 79701

Southern Minerals Corporation
P. O. Box 1816
Midland, Texas 79701

Ted Collins, Inc.
Vaughn Bldg.
Midland, Texas 79701

R. E. Tucker, Jr.
Vaughn Bldg.
Midland, Texas 79701

Union Oil of California
619 W. Texas
Midland, Texas 79701

Wilson Oil Co.
Box 627
Santa Fe, N. M. 87501

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