



CONTINENTAL OIL COMPANY

825 PETROLEUM BUILDING
ROSWELL, NEW MEXICO

January 23, 1961

WM. A. MEAD
DIVISION SUPERINTENDENT
OF PRODUCTION
NEW MEXICO DIVISION

To the Director (6)
United States Geological Survey
C/O Regional Oil & Gas Supervisor
P. O. Box 6721
Roswell, New Mexico

Oil Conservation Commission (3)
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Gentlemen:

We are submitting herewith Application for Termination of the Tonto Deep Unit Area, Contract No. 10261-A, Lea County, New Mexico. We have received approval of more than 75 per cent on an acreage basis of working interest owners in compliance with the Unit Agreement.

We shall appreciate your consideration and approval of this application, returning one approved copy for our file.

Yours very truly,

A handwritten signature in dark ink, appearing to read "W. A. Mead".

WAM-LP
Encs
Copies to:
All Committed Working Interest
Owners in Unit Area
(See attached addressee list)

MAILING LIST - TONTO DEEP UNIT WORKING INTEREST OWNERS

Mr. Howard W. Jennings
Richardson & Bass
Fort Worth National Bank Bldg.
Fort Worth, Texas

Mr. John Fallwell, Jr.
Ambassador Oil Corporation
P. O. Box 9338
Fort Worth 7, Texas

Mr. W. A. Shellshear
Gulf Oil Corporation
P. O. Box 669
Roswell, New Mexico

Mr. R. E. Harding, Jr.
6100 Camp Bowie Blvd.
Fort Worth, Texas

Norfolk Oil Company
1313 Continental Life Bldg.
Fort Worth, Texas

Port Royal, Inc.
P. O. Box 188
Naples, Florida

Mr. Charles M. Moon
516 Ingraham Bldg.
Miami 32, Florida

APPLICATION FOR TERMINATION
TONGO DEEP UNIT AREA
LEA COUNTY, NEW MEXICO
CONTRACT NO. 10261-A

DIRECTOR OF U. S. GEOLOGICAL SURVEY
DEPARTMENT OF THE INTERIOR
WASHINGTON 25, D. C.

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

Continental Oil Company, as Unit Operator, on behalf of the owners of working interests in the Tonto Deep Unit Area, respectfully requests that the Tonto Deep Unit Area, assigned Contract No. 10261-A, approved by the Director, United States Geological Survey on December 9, 1958, by the Commissioner of Public Lands on October 17, 1958, and by the New Mexico Oil Conservation Commission by Order No. R-1257, dated October 22, 1958, be terminated. This request is made with the approval of not less than 75 percent, on an acreage basis, of the working interests owners in compliance with the final paragraph of Section 20 of the Unit Agreement, Tonto Deep Unit Area.

In support of this application for termination of the Unit, the following pertinent well data on the Tonto Deep Unit Well No. 1, drilled within these unitized lands, is furnished to verify that this well is not capable of production in paying quantities:

1. WELL COMPLETION DATA:

| | |
|---------------------|--|
| Location: | 330' FSL & 1830' FWL, Section 22, T18S, R34E, Lea County, New Mexico |
| Date Completed: | April 2, 1959 |
| Elevation: | 4009' DF |
| Total Depth: | 14,925' |
| Plug-back Depth: | 11,600' |
| Pay: | Middle Wolfcamp |
| Producing Interval: | 11,394' - 11,423' |
| Casing Program: | 13 5/8" OD @ 381' w/350 sx. 9 5/8" OD @ 5159' w/3825 sx. 7" OD @ 14,490' w/900 sx. |
| Initial Potential: | Flowed 121 bbls. 44 gravity oil, no water, 5 MCFGPD, GOR 41, through 3/4" choke. T.P. 20 psi |
| Treatment: | Treated perforated interval 11,394' - 11,423' w/5,500 gals. 15% low tension acid |

2. ADDITIONAL TEST DATA:

Drill-stem test in Devonian formation from 14,862' - 14,925': Tool open 2 hrs. and 15 mins. Recovered 5880' of salty sulphur water. Plugged back to 11,600'.

Zones in the upper Wolfcamp from 10,631' -10,659' 10,769' -10,781'; 10,791' -10,811' were perforated and tested. Tests showed water production and indicated communication behind casing. The intervals were squeeze-cemented and individual tests were then conducted to evaluate the separate zones.

The zones from 10,769' to 10,781' and 10,791' to 10,811' were reperforated and acidized with mud acid. Individual swabbing tests showed the production of a high percentage of salt water. These zones were resqueezed with cement.

The interval from 10,631' to 10,659' was reperforated. After extensive work in the zone which included re-squeezing with cement to eliminate water production, the well swabbed 4 bbls oil per hour with 40 percent BS&W. While performing production tests, the fluid level in the well was observed to drop very rapidly, which indicated the zones inability to maintain commercial flow. The interval was squeezed and the well was completed in the interval from 11,394' to 11,423'.

A print of the Radioactivity log covering the above zones in the Wolfcamp formation is attached.

3. CUMULATIVE PRODUCTION AND PRESENT STATUS:

As of November 1, 1960, the well had produced a total 2,151 barrels of crude oil from the zone from 11,394' to 11,423'. The well had then ceased to produce from this interval. A bridge plug was set at 11,365' and the interval in the Upper Wolfcamp from 10,631' to 10,659' was acidized with 10,000 gallons. On latest test after acidization taken on December 12, 1960, the well pumped no oil and 14 barrels water in 24 hrs. with 76 barrels of load oil not recovered.

4. ATTACHMENTS

Plat showing the outline of the Tonto Deep Unit Area.

Radioactivity log of the Tonto Deep Unit No. 1 from approximately 10,375' to 11,460' showing the character of the Wolfcamp formation in zones which were perforated and tested as described under Items 2 and 3.

No commercial productive oil zones have been encountered in the Tonto Deep Unit No. 1 and it is not believed that oil in paying quantities can be developed within the Tonto Deep Unit Area. No additional drilling is being planned for the Unit. We therefore respectfully request termination of the Tonto Deep Unit Area.

Approved..... Feb 8, 1961.....

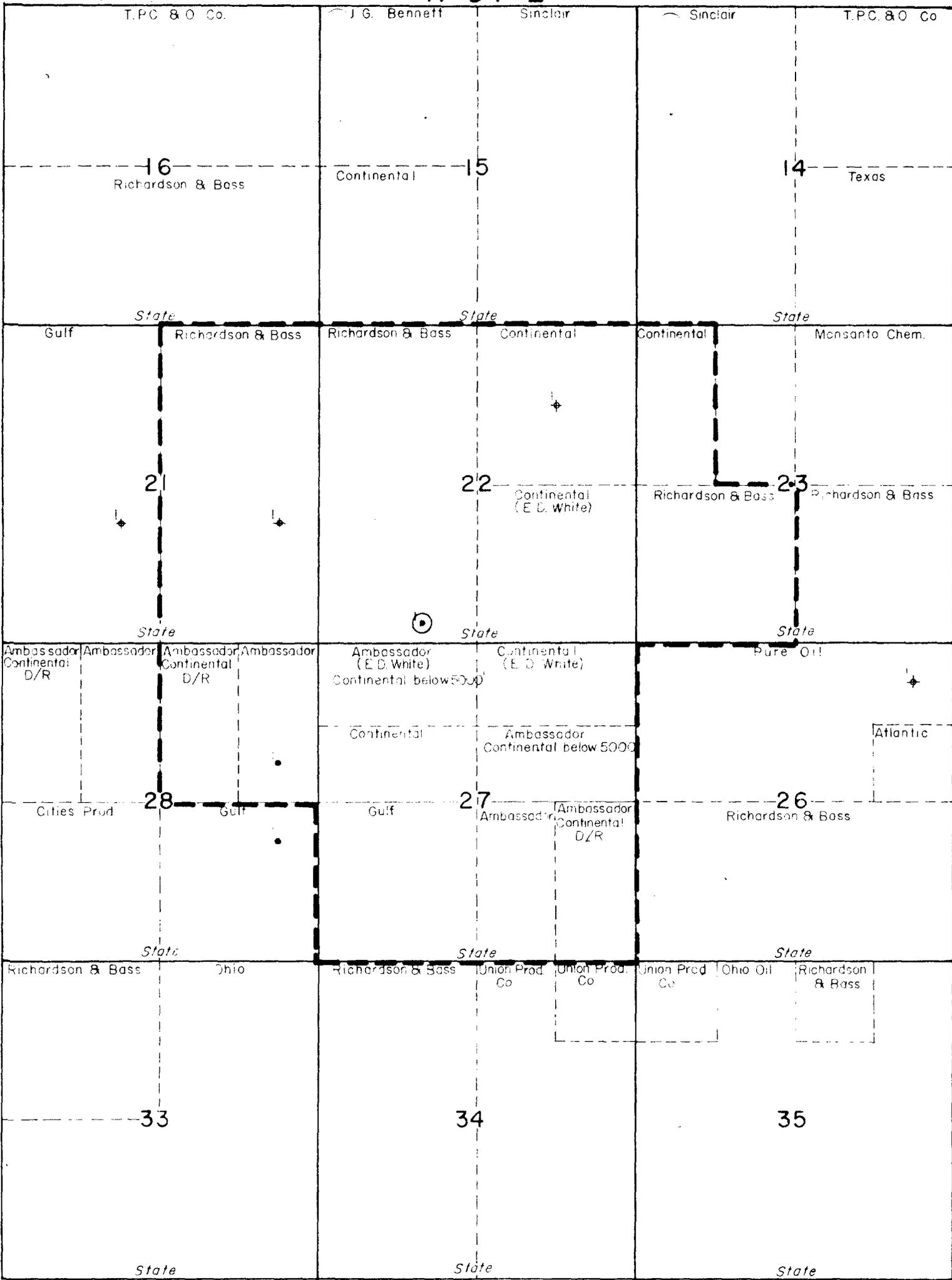
G. L. Peter

Secretary-Director

REG. DIVISION OF MINERAL RESOURCES COMMISSION

W. A. Mead

Wm. A. MEAD
Division Superintendent
of Production
New Mexico Division
Southwestern Region



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CONTINENTAL OIL COMPANY
PRODUCTION DEPARTMENT
 TONTO DEEP UNIT
 SCALE FT 0 1000 2000

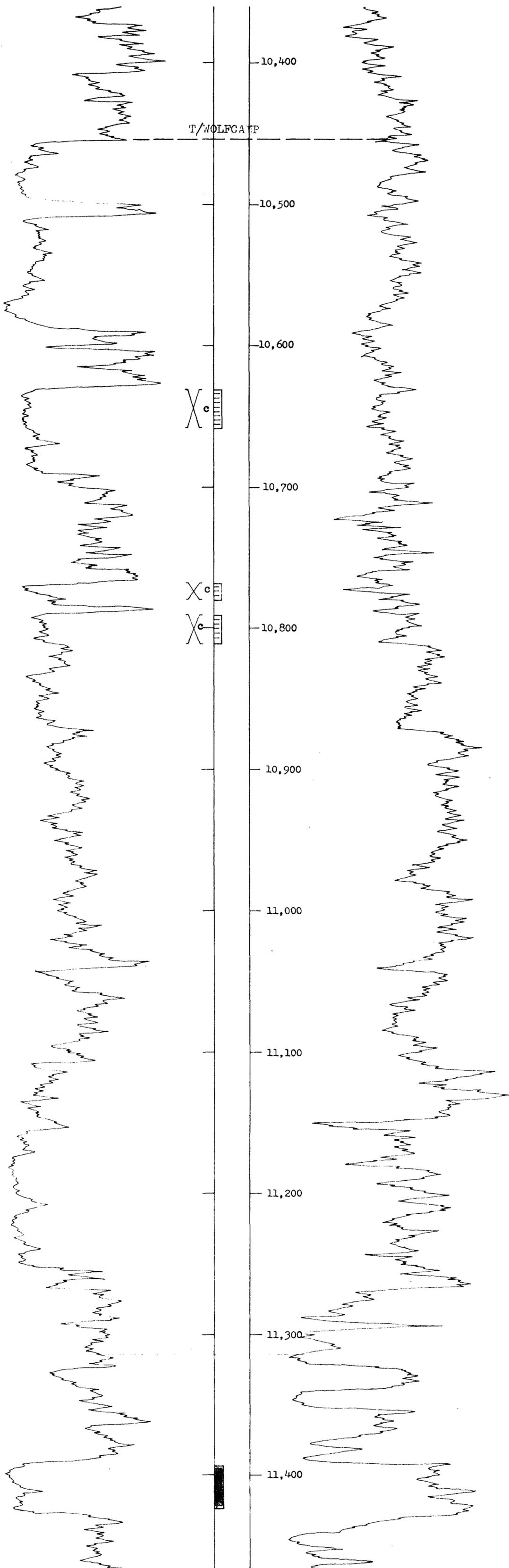
LEGEND

--- Tonto Deep Unit Area

⊙ Tonto Deep Unit No. 1

REC 6-22-60

CONTINENTAL OIL COMPANY
TONTON DEEP UNIT NO. 1
ELEV. 4009' D.F.



DATE COMP. 4/2/59
T.D. 14,925'; PED 11,600'
PROD. INT. 11,394'-11,423'
MIDDLE WOLFCAFF
IPP 121 BOPD, NO WTR., 5 MCF GAS