

GENERAL AMERICAN OIL COMPANY OF TEXAS

MEADOWS BUILDING
DALLAS, TEXAS 75206

April 19, 1974

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, NM 87501



Attention Mr. Daniel S. Nutter, Examiner

RE: Case #5219, April 25, 1974
Examiner Hearing - Midwest Oil Corporation
for Pool Creation, Discovery Allowable,
and Special Pool Rules.
Eddy County, New Mexico

Gentlemen:

Pursuant to the above application, General American Oil Company of Texas, owner of 6.105% working interest in the South Empire Deep Unit, and owner and operator of certain acreage offsetting the South Empire Deep Unit #4 Discovery, wishes to make the following statement at the referenced Examiner Hearing:

"General American Oil Company of Texas supports Midwest Oil Company's request for 80 acre spacing rules for the new Wolf-camp Field discovered in the South Empire Deep Unit #4 Well. General American Oil Company of Texas, however, respectfully requests that the New Mexico Oil Conservation Commission grant these rules on a temporary basis pending additional information on this reservoir to be obtained by future drilling and producing operations."

Yours very truly,

GENERAL AMERICAN OIL COMPANY OF TEXAS



Bill Patterson
Engineer
Production Department

BP:mms

cc: Mr. Frank L. Schatz
Midwest Oil Corporation
1500 Wilco Street
Midland, TX 79701

N. W. Krouskop
R. Crow

File (3) C-1, PLW-1, S-1

MGMABQC ABQ
2-039618E114 04/24/74
ICS IPMBNGZ CSP
3032929920 MGM TDBN DENVER CO 162 04-24 0630P EDT
ZIP 87501

 **Mailgram**
western union



▶ A L PORTER, JR, SECRETARY DIRECTOR
NEW MEXICO OIL CONSERVATION COMMISSION STATE LAND OFFICE BLDG
SANTA FE NM 87501

RE: CASE 5219 APPLICATION OF MIDWEST OIL CORPORATION FOR POOL
CREATION, DISCOVERY ALLOWABLE AND SPECIAL POOL RULES, WOLFCAMP
FORMATION, EDDY COUNTY NEW MEXICO. TENNECO IS 1/2 WORKING INTEREST
OWNER OF THE ACREAGE IN THE N/2 SECTION 33, T17S-R29E. WE SUPPORT
THE APPLICATION FOR DISCOVERY ALLOWABLE. HOWEVER, WE OPPOSE
THE SPECIAL RULES THAT PROVIDE FOR 80 ACRE SPACING. WE BELIEVE
THAT THE ECONOMICS ASSOCIATED WITH THE RECOVERABLE RESERVES
FROM ONLY 80 ACRES COULD BE MARGINAL. IN ADDITION, AN EXISTING
PRESSURE DRAWN DOWN AND BUILT UP TEST CONDUCTED ON THE ENTIRE
SOUTH DEEP UNIT NUMBER 4 INDICATES THAT THIS WELL COULD DRAIN
AN AREA AS LARGE AS 160 ACRES. IN VIEW OF THESE FACTS, TENNACO
REQUESTS THAT TEMPORARY FIELD RULES THAT PROVIDE FOR 160-ACRE
SPACING BE ADOPTED.

D D MYERS ASSISTANT PRODUCTION MANAGER TENNACO OIL COMPANY
1860 LINCOLN STREET SUITE 1200 DENVER COLORADO 80203

1834 EDT

MGMABQC ABQ

