

Midland District



Production Operations United States



**Marathon
Oil Company**

P.O. Box 552
Midland, Texas 79702
Telephone 915/682-1626

June 8, 1984

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Dick Stamets
Hearing Examiner

Dear Sirs:

This letter is in reference to Getty Oil Company's application (Case No. 8202) for permission to drill a Pennsylvanian well in the Indian Basin Field on an unorthodox location. The location of the proposed well is 1320 feet from the South line and 660 feet from the West line of Section 32, T-21-S, R-24-E, Eddy County, New Mexico. In their application, Getty requests that all of Section 32 be dedicated to the well. It is Marathon's contention that not all of the acreage is productive, and therefore should not be dedicated to the well for allowable purposes.

While the proposed well will be located structurally high in Sec. 32, T-21-S, R-24-E, it is Marathon's opinion that a majority of the requested dedicated acreage is presently non-productive. This acreage is thought to be non-productive because of the excessive water production from wells located on five of the 640 acre offsetting proration units which are presently incapable of producing. The three remaining offsets still producing, do so while producing significant amounts of water. Also, within the requested acreage, a well which was productive has been shut-in due to excessive water production. It is therefore requested that only 160 acres be dedicated to the proposed well for allowable purposes.

Following is a short description of the wells located near the proposed Getty well which are incapable of producing.

Amoco's Federal B Com. Well No. 1
Location: 1650' FNL & 1335' FWL, Sec. 5, T-22-S, R-24-E
Elevation KB: 4330'
Top of Pennsylvanian: 7804' (-3474')
Perforated Interval: 7804'-7904'
Present Status: Shut-in (Excessive Water)

Arco's Walt Canyon Unit Well No. 2
Location: 960' FNL & 800' FWL, Sec. 4, T-22-S, R-24-E
Elevation KB: 3967'
Top of Pennsylvanian: 7552' (-3585')
Perforated Interval: 7570'-7600'
Present Condition: Shut-in (Excessive Water)

Marathon's Indian Hills Unit Well No. 5
Location: 1470' FWL & 1230' FSL, Sec. 33, T-21-S, R-24-E
Elevation KB: 4107'
Top of Pennsylvanian: 7716' (-3609')
Perforated Interval: 7716'-7738'
Present Condition: Shut-in (Excessive Water)

Marathon's Indian Hills Unit Well No. 4
Location: 1650' FSL & 1650' FWL, Sec. 28, R-21-S, R-24-E
Elevation KB: 3799'
Top of Pennsylvanian: 7473' (-3674')
Perforated Interval: 7473'-7500'
Present Condition: Shut-in (Excessive Water)

Kerr-McGee's Martha Creek Gas Com. Well No. 1
Location: 1650' FSL & 1650' FEL, Sec. 30, T-21-S, R-24-E
Elevation KB: 3735'
Top of Pennsylvanian: 7276' (-3541')
Perforated Interval: 7334'-7444'
Present Condition: Shut-in (Excessive Water)

Marathon's Tepee State Gas Com. Well No. 1
Location: 940' FNL & 990' FWL, Sec. 32, T-21-S, R-24-E
Elevation KB: 3846'
Top of Pennsylvanian: 7355' (-3509')
Perforated Interval: Open Hole 5593'-7306'
Present Status: Shut-in (Excessive Water)

Following is a short description of the presently producing offset wells:

Marathon's Indian Hills Unit Gas Com. Well No. 3
Location: 1980' FNL & 1650' FWL, Sec. 29, T-21-S, R-24-E
Elevation KB: 3703'
Top of Pennsylvanian: 7252' (-3549')
Perforated Interval: 7262'-7288'
Present Condition: This well is currently throttled back to a low rate to maintain water production within reasonable limits.


Flag-Redfern's Winston Gas Com. Well No. 1
Location: 2080' FSL & 1980' FWL, Sec. 31, T-21-S, R-24-E
Elevation KB: 3917'
Top of Pennsylvanian: 7362' (-3445')
Perforated Interval: 7476'-7494'
Present Condition: This well is also produced at a low rate in an effort to control water production.

State of New Mexico
June 8, 1984
Page 3

Amoco's Federal D Well No. 1
Location: 600' FNL & 400' FWL, Sec. 6, T-22-S, R-24-E
Elevation KB: 3947'
Top of Pennsylvanian: 7413' (-3466')
Perforated Interval: 7430'-7554'
Present Condition: This well produces at a reasonable high
rate. However, significant amounts of water are also
produced.

Marathon's past experience with wells in this area suggests that these
wells will soon cease to produce due to excessive back-pressure on the
formation from a build-up of produced water in the wellbore.

Sincerely,



R. P. Scott
District Operations Manager

MTH/slj/L

xc: E. B. Glick - Houston

