



**Amoco Production Company**

500 Jefferson Building  
P.O. Box 3092  
Houston, Texas 77001

A. R. Reed  
Division Operations  
Superintendent

June 8, 1976

File: RCJ-2249-LF

Re: Status of Well No. 7  
Empire South Deep Unit  
Eddy County, New Mexico

Mr. Carl C. Traywick (3)  
Acting Area Oil and Gas Supervisor  
United States Department of the Interior  
Geological Survey  
Post Office Drawer 1857  
Roswell, New Mexico 88201

Mr. Phil R. Lucero (3)  
Commissioner of Public Lands  
State of New Mexico  
Post Office Box 1148  
Santa Fe, New Mexico 87501

Mr. James E. Kapteina (3) ✓  
New Mexico Oil Conservation Commission  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

Amoco Production Company as operator of the Empire South Deep Unit, Eddy County, New Mexico, No. 14-08-0001-11591, respectfully requests that Unit Well No. 7 be declared a non-commercial Wolfcamp producer. Attached is a map showing the present Morrow and Wolfcamp Participating Areas by graphical code and an arrow points toward Well No. 7, the subject well.

This well was drilled to a total depth of 10,982' through the Morrow and 5-1/2" casing was set at total depth for possible testing of the Morrow. There were some Morrow Sands present but they were thin and a majority

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of the 37 partners in the Unit desired to test up-hole in the Wolfcamp. Several up-hole intervals were tested and the well was completed October 2, 1975, pumping 169 barrels oil and 33 barrels water per day from the Wolfcamp. Production declined rapidly and the well is currently pumping only about three barrels oil per day. It is obviously non-commercial and it is outside the Wolfcamp Participating Area, which is proper.

Meanwhile Well No. 7 is inside the Morrow Participating Area although its productivity has never actually been determined. Acreage around Well No. 7 was included in the third enlargement of the Morrow Participating Area following the successful completion of Well No. 5. A portion of the partners are now trying to get together on drilling another Morrow test near Well No. 7. With so many people involved this will take some time to resolve. If the Morrow Participating Area were contracted now, a logical reduction would be the South 1/2 of the South 1/2 of Section 30, T-17-S, R-29-E. This would comprise about 1/2 State and 1/2 U.S.A. acreage and there would thereby be little change in royalty distribution. Working interest ownership is fixed throughout the Unit. We would prefer to delay any action on this matter until a final decision is made or results are obtained from drilling another well in Section 30 and/or testing the Morrow at Well No. 7.

If any of the above does not meet with your approval, please advise.

Yours very truly,

JVM/cjb  
2/104

Attachment