

NSL-659

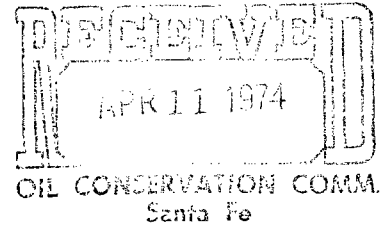
AMERICAN TRADING AND PRODUCTION CORPORATION

WESTERN UNITED LIFE BUILDING  
POST OFFICE DRAWER 992  
MIDLAND, TEXAS 79701

A. C. 915  
684-4463

*OK for  
immediate approval*

April 10, 1974



Mr. A. L. Porter  
Secretary-Director  
N.M.O.C.C.  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Chapparral-Federal No. 1  
Eddy County, New Mexico  
Exception to Statewide  
Rule 104-C,  
Acreage and Well Location  
Requirements for Develop-  
ment Wells

Dear Mr. Porter:

It is respectfully requested that an exception be granted to the above captioned rule. American Trading and Production Corporation (Atapco) proposes to drill a development well, to the Canyon Formation, 2310' FNL and 660' FEL of Section 17, T-24-S, R-24-E, Eddy County, New Mexico. The proposed depth is 8750 feet. This request is made for two reasons: (1) The topography, as shown on the attached aerial photograph, is very rough, and (2) the U. S. Geological Survey will not approve the assignment of the East half of Section 17 to this well as a proration unit. This is because of 40 acres of fee land in the SE/4 of Section 17 which the USGS will not permit to be communitized with the 280 acres of Federal acreage. To conform to the minimum distances of 1980 feet from the nearest end boundary and 660 feet from the nearest side boundary, as set out in the above rule, is not possible because the Board of Land Management has indicated that they will not approve any location in the west half of the NE/4 or the NW/4 of the section. As can be seen, the selected location is not unorthodox provided the east half of the section is designated as the proration unit but is unorthodox if the north half is the assigned proration unit.

Attached is a plat indicating the proposed location and an aerial photograph of the area. Note the very rough topography in the area and that the location is in a canyon that is fairly accessible by an existing road. Cost estimates to

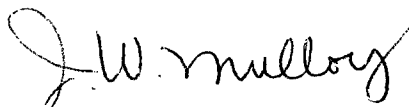
Mr. A. L. Porter  
April 10, 1974  
Page 2

build a road and pad have been made on various locations in the area. They range from \$10,000 to \$15,000 provided the location is in the canyon and \$25,000 to \$30,000 if it is on a high area.

Waivers from all offset operators are attached, except for Inexco Oil Company and Suburban Propane Gas Corporation, and they have been contacted by phone and will indicate their approval by wire. Also attached are copies of New Mexico Oil Conservation Commission Form C-102, and U.S.G.S. Form 9-331C. The originals and required copies have been filed with the U.S.G.S. in the normal manner.

Based on the above, it is again requested that an un-orthodox location of 2310' FNL and 660' FEL, with the N/2 of Section 17 being the assigned proration unit, be approved because of topographical conditions and the U.S.G.S. ruling.

Yours very truly,



J. W. Mulloy  
Production Manager

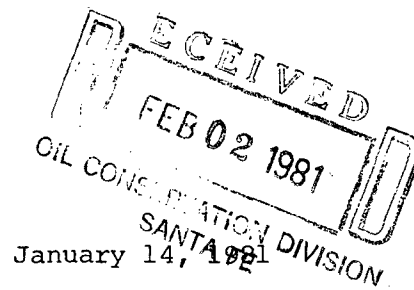
JWM:vc  
Attachments  
cc - U.S.G.S.  
Drawer "U"  
Artesia, New Mexico 88210



207 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331

S. P. YATES  
PRESIDENT  
MARTIN YATES, III  
VICE PRESIDENT  
JOHN A. YATES  
VICE PRESIDENT  
B. W. HARPER  
SEC. TREAS.



Mr. Joe D. Ramey, Secretary-Director  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87503

Re: Non-standard Location Reentry  
Chaparrel - Federal #1  
2310' FNL and 660' FEL  
H-17-24S-24E N/2 dedication

Dear Sir:

The original operators, American Trading and Production Corporation, received administrative approval to drill and produce from Canyon formation. This administrative order #NSL - 659 was issued 4/12/74.

Presently, Yates Petroleum Corporation, the new operator, has reentered the well and is requesting administrative approval to produce from the morrow formation,

Sincerely,

Yates Petroleum Corporation

Gliserio "Rod" Rodriguez

by: Johnny Lopez  
Johnny Lopez, Regulatory Coordinator

**WAIVER:**

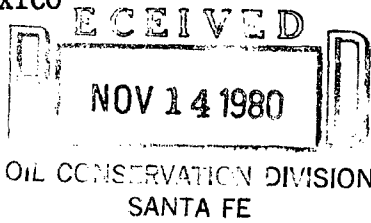
We have no objection to produce from morrow of the captioned well in the non-standard location and hereby grant waiver to do so.

Maralo, Inc.

Maralo, Inc.  
4600 Post Oak Place  
Suite 307  
Houston, TX 77027

OIL CONSERVATION COMMISSION  
Byler DISTRICT

OIL CONSERVATION COMMISSION  
BOX 2088  
SANTA FE, NEW MEXICO



DATE November 10, 1980

RE: Proposed MC \_\_\_\_\_  
Proposed DHC \_\_\_\_\_  
Proposed NSL α \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_

Gentlemen:

I have examined the application dated November 7, 1980  
for the EPM Co. S. J. 29-4 Unit # 24 G-8-29N-4w  
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yours very truly,

Frank S. Perry

☐ Other:

Very truly yours,  
R. L. Stamets  
R. L. STAMETS  
Technical Support Chief

RLS/dr



ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

December 17, 1980

BRUCE KING  
GOVERNOR

LARRY KEHOE  
SECRETARY

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Yates Petroleum Corporation  
207 South Fourth Street  
Artesia, New Mexico 88210

Re: Application for Non-Standard  
Location: Chaparral Federal  
Well No. 1, Sec. 17, T-24-S, R-24-E,  
Eddy County

We may not process the subject application for non-standard location until the required information or plats checked below (is) (are) submitted.

☒ A plat must be submitted clearly showing the ownership of the offsetting leases.

☒ A statement must be submitted that offset owners have been notified of the application by certified mail.

☐ A plat must be submitted fully identifying the topography necessitating the non-standard location.

☐ Other:

Very truly yours,

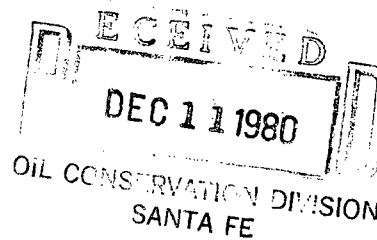
R. L. STAMETS  
Technical Support Chief

RLS/dr



207 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331



S. P. YATES  
PRESIDENT  
MARTIN YATES, III  
VICE PRESIDENT  
JOHN A. YATES  
VICE PRESIDENT  
B. W. HARPER  
SEC. TREAS.

December 8, 1980

Mr. Joe D. Ramey, Secretary-Director  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87503

Re: Lease NM-12829  
Chaparral Federal #1  
Section 17, T24S, R24E  
2310' FNL and 660' FEL  
Eddy County, NM

Dear Sir:

The above captioned well was spudded on April 27, 1974 by American Trading and Production Company under Administrative Order #NSL-659, issued April 12, 1980. This order depicted the Canyon formation as the major objective. Eventually the well was abandoned on June 12, 1974.

Yates Petroleum has since reentered this well and plans to complete it in the Lower Morrow. This leads us to request the Order #NSL-659 be amended to list the Morrow formation as the primary objective and the intermediate formations as secondary objectives.

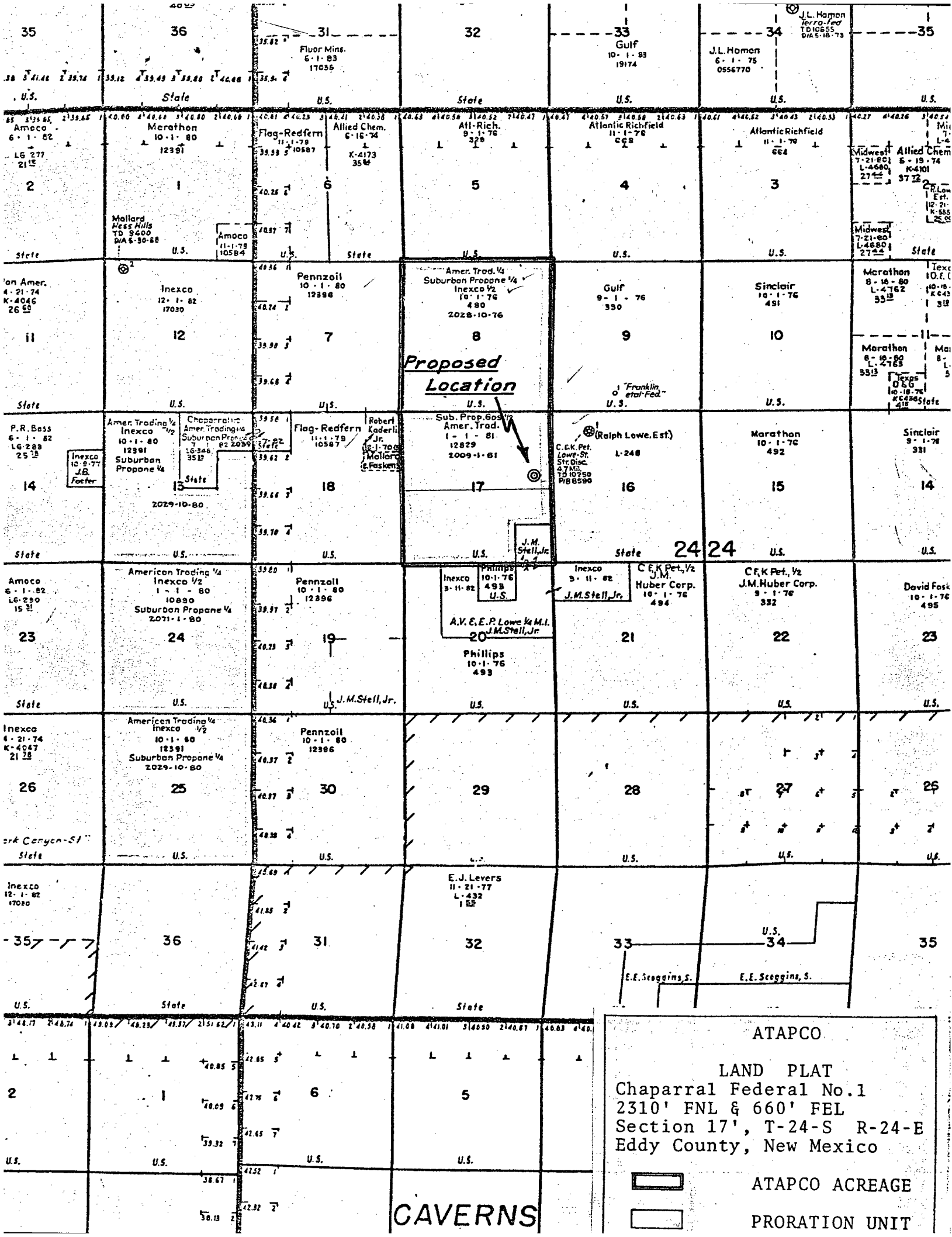
This lease has to be producible by the end of this year, thus requiring us to ask for an expeditious approval.

Very truly yours,

Yates Petroleum Corporation

Gliserio Rodriguez

GR/rb



AMERICAN TRADING AND PRODUCTION CORPORATION

WESTERN UNITED LIFE BUILDING  
POST OFFICE DRAWER 992  
MIDLAND, TEXAS 79701

A. C. 915  
684-4463

April 10, 1974

OFFSET OPERATORS  
(List Attached)

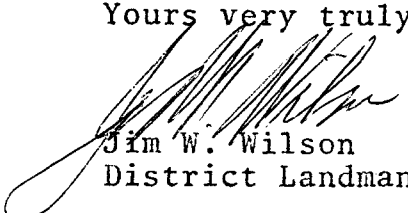
Re: Waiver of Objection to  
Unorthodox Location  
Dark Canyon Area  
Eddy County, New Mexico

Gentlemen:

Because of the extremely rough topography of Section 17, Township 24 South, Range 24 East, Eddy County, New Mexico, we are requesting the New Mexico Oil Conservation Commission to approve an unorthodox location for the drilling of an 8700-foot Canyon test to be located 2310 feet from the North line and 660 feet from the East line of Section 17, T-24-S, R-24-E with the North One-half of Section 17 to be dedicated as the proration unit.

We would like to request a waiver from each of you as the offsetting Operators to the above location. If this meets with your approval, please sign and return one (1) copy of this letter evidencing your consent to the above location.

Yours very truly,

  
Jim W. Wilson  
District Landman

This will advise that we have no objections to American Trading and Production Corporation's unorthodox location 2310 feet FNL and 660 feet FEL of Section 17, T-24-S, R-24-E, Eddy County, New Mexico.

Pennzoil Company

Dated April 10th, 1974.

By 

JWW:rd



Mailing List  
Offset Operators - Dark Canyon Area  
Eddy County, New Mexico

C & K Petroleum Inc.  
Midland National Bank Bldg.  
Midland, Texas 79701  
Attn: Mr. Gill Thompson

Pennzoil Company  
P. O. Drawer 1828 ✓  
Midland, Texas 79701  
Attn: Mr. James A. Davidson

Gulf Oil Corporation - U.S.  
P. O. Box 1150  
Midland, Texas 79701  
Attn: Mr. J. L. Pike,  
Dist. Production Mgr.

Flag-Redfern Oil Company  
Box 23  
Midland, Texas 79701  
Attn: Mr. Earl Rogers

Inexco Oil Company  
1100 Milam Bldg., Ste. 1900  
Houston, Texas 77000  
Attn: Mr. J. C. Forney

Suburban Propane Gas Corporation  
2120 Alamo National Building  
San Antonio, Texas 78205  
Attn: Mr. J. C. Eldred

AMERICAN TRADING AND PRODUCTION CORPORATION

WESTERN UNITED LIFE BUILDING  
POST OFFICE DRAWER 992  
MIDLAND, TEXAS 79701

A. C. 915  
684-4463

April 10, 1974

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(List Attached)

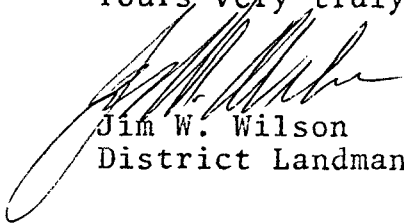
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Unorthodox Location  
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Eddy County, New Mexico

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Yours very truly,

  
Jim W. Wilson  
District Landman

This will advise that we have no objections to American Trading and Production Corporation's unorthodox location 2310 feet FNL and 660 feet FEL of Section 17, T-24-S, R-24-E, Eddy County, New Mexico.

Dated April 10<sup>th</sup>, 1974.

By 

JWW:rd

MGMABQC ABQ

2-034404E100 04/10/74

ICS IPMBNGZ CSP

7132373424 MGM TDBN HOUSTON TX 100 04-10 0508P EDT

ZIP 87501



western union

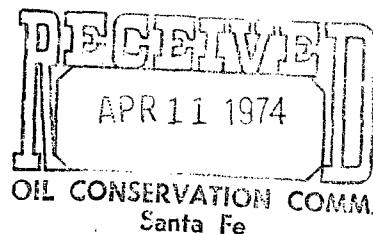
Mailgram



A L PORTER

NEW MEXICO OIL CONSERVATION COMMISSION BOX 2088

SANTA FE NM 87501



INEXCO OIL COMPANY HAS NO OBJECTION TO THE UNORTHODOX LOCATION  
(2,310 FEET FROM NORTH LINE AND 660 FEET FROM EAST LINE OF SECTION  
17, T24S-R23E, EDDY COUNTY NEW MEXICO) PROPOSED BY AMERICAN  
TRADING AND PRODUCTIONS CORP FOR ITS NUMBER ONE DARK CANYON  
WELL

ROBERT M WIGGINS EXPLOITATION LAND MANAGER

1709 EDT

MGMABQC ABQ

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

## 1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

## b. TYPE OF WELL

OIL  
WELL ☐GAS  
WELL ☒

OTHER

SINGLE  
ZONE ☒MULTIPLE  
ZONE ☐

## 2. NAME OF OPERATOR

American Trading and Production Corporation

## 3. ADDRESS OF OPERATOR

P. O. Drawer 992, Midland, Texas 79701

## 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*)

At surface

2310' FNL &amp; 660' FEL, Sec. 17, T-24-S, R-24-E

At proposed prod. zone

Same as above

## 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

9 miles N.W. White City

## 15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

660'

18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

None

## 16. NO. OF ACRES IN LEASE

640

## 19. PROPOSED DEPTH

8750'

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

320

## 20. ROTARY OR CABLE TOOLS

Rotary

## 21. ELEVATIONS (Show whether DF, RT, GR, etc.)

GR

## 22. APPROX. DATE WORK WILL START\*

## 23.

## PROPOSED CASING AND CEMENTING PROGRAM

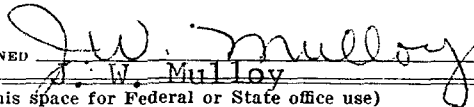
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2	13-3/8	48#	30'	2 sx.
12-1/4"	8-5/8	24#	2500'	1000 sx.
7-7/8"	5-1/2"	15# & 17#	8750'	500 sx.

1. Drill 17½" hole 30' w/spud mud & set 13-3/8" conductor pipe.
2. Drill 12-1/4" & 11" hole to 2500' w/fresh water gel & lost circulation as required.
3. Set & cement 8-5/8", 24# J-55 casing at 2500' w/cmt. circulated to surface.
4. Drill 7-7/8" hole to 8500' w/fresh water & mud as required.
5. Run DST & logs.
6. Set 5-1/2" 15# & 17# casing to T.D. and cmt. with approximately 500 sx. cmt.
7. Perforate and test Pay Zone.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

## 24.

SIGNED



TITLE

Production Manager

DATE

4-10-74

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

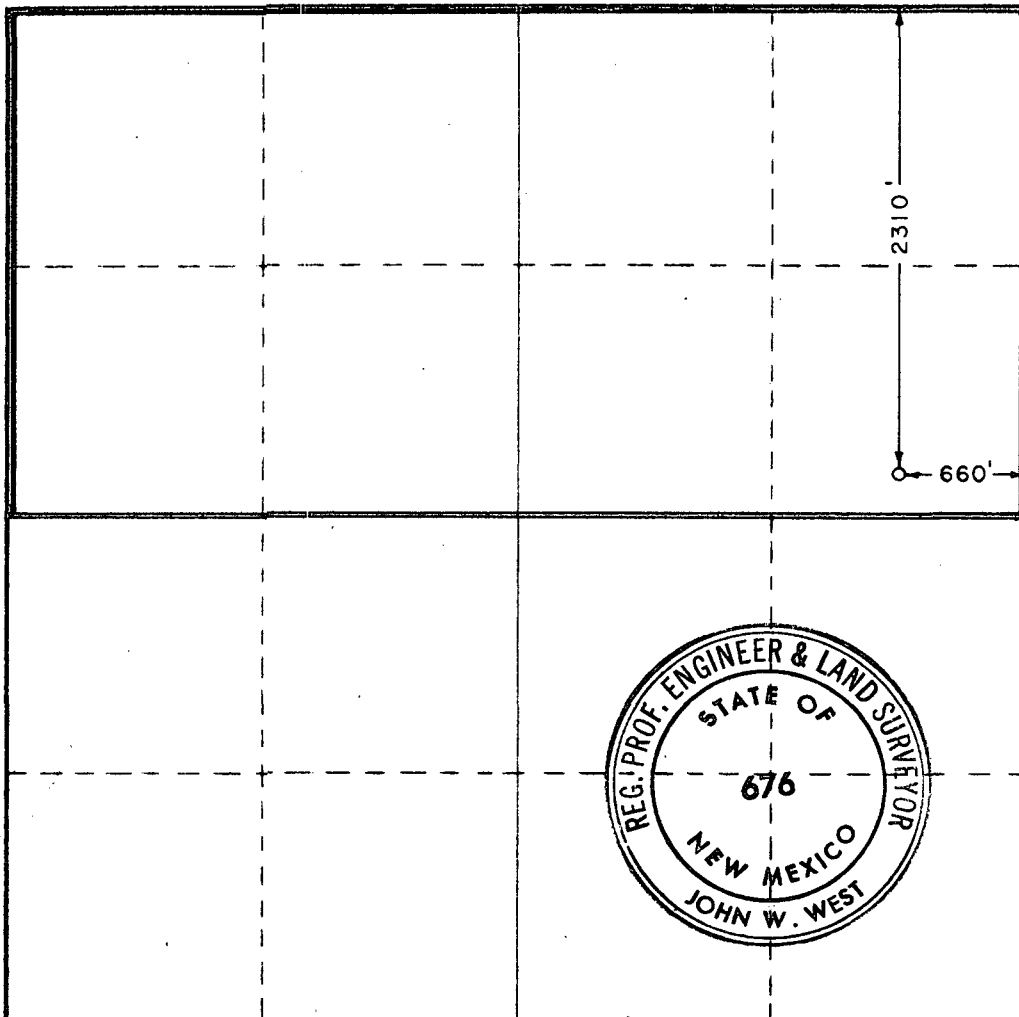
Operator <b>AMERICAN TRADING &amp; PRODUCTION CORP.</b>			Lease <b>CHAPARRAL FED</b>		Well No. <b>1</b>
Unit Letter <b>H</b>	Section <b>17</b>	Township <b>24 SOUTH</b>	Range <b>24 EAST</b>	County <b>EDDY</b>	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> <span><b>2310'</b> feet from the <b>NORTH</b> line and</span> <span><b>660</b> feet from the <b>EAST</b> line</span> </div>					
Ground Level Elev. <b>4127.3</b>	Producing Formation <b>Canyon</b>		Pool <b>Undesignated Canyon</b>	Dedicated Acreage: <b>320</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes    ☐ No    If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*J. W. Mulloy*  
Name **J. W. Mulloy**

Position **Production Manager**

**American Trading and Production Corporation**  
Company

**4-9-74**  
Date

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

**APRIL 5, 1974**

Registered Professional Engineer  
and/or Land Surveyor

*John W. West*  
Certificate No. **676**

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500

AMERICAN TRADING AND PRODUCTION CORPORATION

WESTERN UNITED LIFE BUILDING

POST OFFICE DRAWER 992

MIDLAND, TEXAS 79701

A. C. 915  
684-4463

April 10, 1974

United States Department of the Interior  
Geological Survey  
Drawer "U"  
Artesia, New Mexico 88210

Re: Surface Development Plan for  
the Application to Drill the  
Atapco Chaparral-Federal No. 1,  
Eddy County, New Mexico  
2310' FNL and 660' FEL  
Sec. 17, T-24-S, R-24-E

Gentlemen:

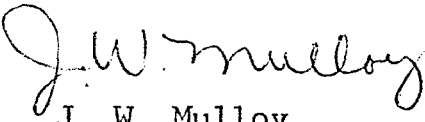
The surface development plan for the proposed Chaparral-Federal No. 1 is as follows:

1. Existing roads are shown on the attached plat.
2. Planned access road will be a continuation of an existing road. See attached plat.
3. Location of Wells - see attached plat.
4. Lateral roads to wells location - none.
5. Location of tank batteries and flow lines - none on lease. Battery is to be installed on location if well is productive.
6. Location and types of water supply - no water available in area. Water is to be hauled to proposed location.
7. Methods of handling waste disposal - waste to be burned or buried at job completion.
8. Location of Camps - none.
9. Location of airstrips - none.
10. Location layout - see attached drawing.

U.S. Dept. of the Interior  
April 10, 1974  
Page 2

11. Plans for restoration of surface - all waste, scrap, empty containers, etc. will be disposed of and the pits are to be filled and leveled as soon as is practical after completion of work.
12. Other essential information - none.

Yours very truly,

  
J. W. Mulloy  
Production Mgr.

JWM:vc

Attachments

AMERICAN TRADING AND PRODUCTION CORPORATION

WESTERN UNITED LIFE BUILDING

POST OFFICE DRAWER 992

MIDLAND, TEXAS 79701

A. C. 915  
684-4463

April 10, 1974

United States Department of the Interior  
Geological Survey  
Drawer "U"  
Artesia, New Mexico 88210

Re: Chaparral-Federal #1  
2310' FNL and 660' FEL  
Sec. 17, T-24-S, R-24-E

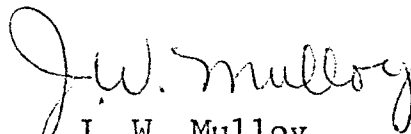
Gentlemen:

The mud program will be as follows on the captioned well:

0' - 30'	Spud Mud
30' - 2800'	Fresh water w/additives as required.
2800' - 7800'	Fresh water.
7800' - T.D.	Fresh water - gel, low solids, non-dispersed mud w/additives for fluid loss. Mud to be 8.8 - 9#/gal; viscosity 34-38 sec. and water loss of 10 cc or less.

Blow-out preventer, stack and well head shall be pressure tested at 7800' and P.V.T. equipment and flow sensor installed.

Yours very truly,

  
J. W. Mulloy  
Production Mgr.

JWM:vc



4-26-58

DEO-23T-56

Atapue  
#1 Chaparral Fed.

17-24S-24E  
Eddy Co., N.M.  
Scale Approx. 1:25,000