

FOSTER MORRELL
PETROLEUM CONSULTANT
~~NICKERSON HOTEL BUILDING~~
ROSWELL, NEW MEXICO

February 12, 1963

Case 2766

Commissioner of Public Lands
State of New Mexico
P. O. Box 791
Santa Fe, New Mexico

Re: Proposed Siegreest Draw Unit
Eddy County, New Mexico

Dear Sir:

Tom Brown Drilling Company, Inc., of Midland, Texas, respectfully requests and hereby makes application, in triplicate, for designation of certain lands in Township 19 South, Range 23 East, N.M.P.M., Eddy County, New Mexico, as an area logically subject to development and operation under a unit agreement to be known as the Siegrest Draw Unit.

The lands requested for unitization are described as follows:

T. 19 S., R. 23 E., N. M. P. M.

Secs. 19 to 22 inclusive: All
Sec. 27: $W\frac{1}{2}$, $SE\frac{1}{4}$, $W\frac{1}{2}NE\frac{1}{4}$
Secs. 28 to 34 inclusive: All

containing 7,577.66 acres, more or less.

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In support of this application we submit the following:

- (1) Geological report dated February 8, 1963, by James R. Day, Consulting Geologist for Tom Brown Drilling Company, Inc. 7193
- (2) Reflection seismograph map dated February 8, 1963, contoured on "Devonian" reflection. RZ3E
- (3) Land status map, Exhibit "A", showing State and fee owned lands, and the State oil and gas leases identified by serial numbers as presently known by your applicant.
- (4) Lease tabulation, Exhibit "B", showing leases in chronological order by serial numbers, land description, dates and ownership.

The proposed Siegreest Draw unit area embraces a total of 7,577.66 acres, of which 7,417.66 acres or 97.89% are State of New Mexico lands and 160.00 acres or 2.11% are fee lands.

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We propose the use of your suggested form of unit agreement embracing State and fee lands and the drilling requirement for the initial well to test the Pennsylvanian formation or to a depth not in excess of 8,600 feet. Other pertinent provisions of the suggest form include under Section 2, all formations are unitized; under Section 8, commencement of the initial test well within sixty (60) days from the effective date of the unit agreement; and under Section 17, the agreement shall terminate two (2) years after such effective date unless the term is extended by the Commissioner or a valuable discovery of unitized substances has been made on unitized lands.

It is respectfully requested that you designate the unit area, and approve the form of unit agreement and initial drilling program as proposed herein.

Very truly yours,

Tom Brown Drilling Company, Inc.

COPY(Original Signed) Foster Morrell

By _____
Foster Morrell, Its Representative

Enclosures

cc; Mr. Thomas C. Brown, President
Tom Brown Drilling Company, Inc.
P. O. Box 5131
Midland, Texas

GEOLOGIC REPORT

Proposed Siegrist Draw Unit
Eddy County, New Mexico

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Location

The proposed unit is in the southwestern part of T-19-S, R-23-E, Eddy County, New Mexico, and approximately 13 miles south of the town of Hope, New Mexico. The topography and existing access roads to the area indicate no major difficulty in building locations for wells or roads.

Geophysics and Geology

The Siegrist Draw Unit is based upon a seismic anomaly with approximately 200 feet of closure at the 'Devonian' reflection horizon with more than 300 feet of critical west dip. The unit outline generally follows the -5000' contour except on the northeast and southwest sides; the unit extends beyond this contour in this direction because these flank areas are expected to have good development of Lower Pennsylvanian Sands.

Subsurface geologic control is sparse, but favorable when used in conjunction with the seismic data. Structurally, the closure on the anomaly trends northwest-southeast parallel to the Huapache Flexure, a major structural feature west of the unit. This similarity to a known structural feature strengthens the probability of the unit being well located on a true closure. Equally important are the shows of hydrocarbons and recent production found in the vicinity of the unit. The Lower Pennsylvanian has been potentialized for a CAOF 20,000 MCFEPD in the Sunray DX #1 State 'AH', Section 30, T-18-S, R-23-E. This production is believed to be stratigraphically controlled. A Lower Pennsylvanian Sand

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was also potentialized for 15,208 MCFGPD on $1\frac{1}{2}$ inch choke in the second well of the Indian Basin Unit, T-21-S, R-23-E, confirming the discovery in the Ralph Lowe #1 Indian Basin. This second well, the Ralph Lowe #1-A Indian Basin, was dualized with the Upper Pennsylvanian (Cisco-Canyon), a carbonate section, that was completed flowing 12,848 MCFGPD on $1\frac{1}{2}$ inch choke. These producers, plus the good show of oil and gas from the Upper Pennsylvanian in the Magnolia #1 Tres Ranchos, Section 10, T-19-S, R-23-E, make this unit a drillable prospect. 3 mile NE

Upon approval of this unit, Tom Brown Drilling Co., Inc. proposes to drill a wildcat well to test the Pennsylvanian formation, or to a depth not in excess of 8600 feet. The test should encounter the following: Permian-San Andres 100', Glorieta 1500', Abo 3450', Wolfcamp 4600', Pennsylvanian-Cisco 5900', Strawn 6600', Bend 7400', Mississippian 8300'. The most probable producing zones are the Cisco (Upper Pennsylvanian) 5900-6400' and the Bend Sands (Lower Pennsylvanian) 7500-8100'.

Respectfully submitted,

TOM BROWN DRILLING COMPANY, INC.
Midland, Texas

February 8, 1963

By James R. Day
James R. Day
Consulting Geologist

Attachment: 'Devonian' Reflection Seismograph Map

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2766
Order No. R-2446

APPLICATION OF TOM BROWN DRILLING
COMPANY, INC., FOR APPROVAL OF THE
SIEGREST DRAW UNIT AGREEMENT, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 7, 1963, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 11th day of March, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Tom Brown Drilling Company, Inc., seeks approval of the Siegreist Draw Unit Agreement covering 3760 acres, more or less, of State lands in Township 19 South, Range 23 East, NMPM, Eddy County, New Mexico.

(3) That approval of the proposed Siegreist Draw Unit Agreement will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

(1) That the Siegreist Draw Unit Agreement is hereby approved.

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(2) That the plan under which the unit area shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Siegrast Draw Unit Area, and such plan shall be known as the Siegrast Draw Unit Agreement Plan.

(3) That the Siegrast Draw Unit Agreement Plan is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Oil Conservation Commission of New Mexico by law relative to the supervision and control of operations for the exploration and development of any lands committed to the Siegrast Draw Unit, or relative to the production of oil or gas therefrom.

(4) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

EDDY COUNTY, NEW MEXICO
TOWNSHIP 19 SOUTH, RANGE 23 EAST

Section 21: All
Section 22: All
Section 27: W/2, W/2 NE/4, and SE/4
Section 28: All
Section 33: All
Section 34: All

containing 3760.0 acres, more or less.

(b) That the unit area may be enlarged or contracted as provided in said plan; provided, however, that administrative approval for expansion or contraction of the unit area must also be obtained from the Secretary-Director of the Commission.

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the Siegrast Draw Unit Agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(6) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico, and shall terminate ipso facto upon the

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termination of said unit agreement. The last unit operator shall notify the Commission immediately in writing of such termination.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Jack M. Campbell

JACK M. CAMPBELL, Chairman

E. S. Walker

E. S. WALKER, Member

A. L. Porter, Jr.

A. L. PORTER, Jr., Member & Secretary

esr/