

EARLE M. CRAIG, JR. CORPORATION

1400 TWO FIRST CITY CENTER
MIDLAND, TEXAS
915 682-8244

MAILING ADDRESS:
P. O. BOX 1351
MIDLAND, TEXAS 79702-1351

15 January 1986

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

RECEIVED

JAN 2 1986

Craig 8821

OIL CONSERVATION DIVISION

Attention Richard L. Stamets

Approval of Unorthodox
Well Location
Eddy County, New Mexico
EMCjr Corp - Spitfire "25" #A-1

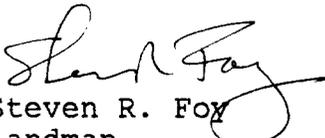
Gentlemen:

Earle M. Craig, Jr. Corporation ("Craig") proposes to drill a 13,000' Wolfcamp test at a location 1,250' FSL and 660' FEL of Section 25, T-26-S, R-30-E, NMPM, Eddy County, New Mexico, which requires approval by the Commission under Rule 104F. We hereby request a hearing before the Oil Conservation Commission on the 05 February 1986 agenda, to obtain an order approving the proposed location. One geologic map, a cross section, and a discussion of geologic conditions necessitating the proposed location are enclosed.

The proposed 320-acre proration unit consists of S/2 of said section, to provide for continued development of prospective acreage. Operators of proration or spacing units offsetting the proposed proration unit, as shown on the attached plat, have been notified by certified mail.

As the proposed leasehold situation requires our well be commenced in February 1986, your prompt consideration is appreciated.

Yours truly,


Steven R. Foy
Landman

SRF/lw

22

0'

1.2'

27

*

34

23

*

*

26

8

APACHE CORP.

(Florida Gas Expl.)
Ross Draw

*

7

35

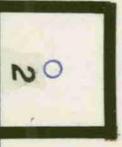
6

24

DRAMA DRAW

25

1



2

36

5

19

CRAIG
SPITFIRE "19" #1

*

TD16976
P/B 13725

30

3

*

Tex. Pacific
Phantom Draw
Unit-Fed.
TD12820

31

4

CRAIG
(Tex. Pacific)
Phantom Draw
Unit-Fed.

*

OFFSET OPERATORS

Tract 1

(From surface to top of Wolfcamp)
Penta Exploration Company
310 West Texas, Suite 210
Midland, TX 79701

(From top of Wolfcamp to base of Wolfcamp)
Earle M. Craig, Jr. Corporation
P. O. Box 1351
Midland, TX 79702

(Below base of Wolfcamp)
Amoco Production Company
P. O. Box 3092
Houston, TX 77001

Tract 2

(From surface to base of Wolfcamp)
Earle M. Craig, Jr. Corporation
P. O. Box 1351
Midland, TX 79702

(Below base of Wolfcamp)
Amoco Production Company
P. O. Box 3092
Houston, TX 77001

Tract 3

(Above stratigraphic equivalent of 12,950'
in Texas Pacific #1 Phantom Draw Unit)
Union Oil Company of California
P. O. Box 3100
Midland, TX 79702

Sun Exploration and Production Company
24 Smith Road
Sun Tower, Suite 600
Midland, TX 79705

Southland Royalty Company
21 Desta Drive
Midland, TX 79705

Hamilton Brothers Oil Company
P. O. Box 5870
Denver, CO 80217

(Below stratigraphic equivalent of 12,950'
in Texas Pacific #1 Phantom Draw Unit)
Union Oil Company of California
P. O. Box 3100
Midland, TX 79702

Tract 4 Yates Petroleum Corporation
 Yates Drilling Company
 MYCO Industries, Inc.
 ABO Petroleum Corporation
 207 South 4th Street
 Artesia, NM 88210

Tract 5 Valero Producing Company
 400 ClayDesta West
 10 Desta Drive
 Midland, TX 79705

Tract 6 Arco Oil & Gas Company
 P. O. Box 1610
 Midland, TX 79702

Tract 7 Apache Corporation
 Suite 4900, One United Bank Center
 1700 Lincoln Street
 Denver, CO 80203-4549

 ACF Petroleum, Inc.
 P. O. Box 2087
 Grand Central Station
 New York, NY 10017

 CSX Exploration, Inc.
 350 8th & Main Building
 707 East Main Street
 Richmond, VA 23219

Tract 8 Arco Oil & Gas Company
 P. O. Box 1610
 Midland, TX 79702

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Case 5821

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21 January 1986

OIL CONSERVATION DIVISION

Geologic Report
Earle M. Craig, Jr. Corporation
Spitfire "25" #A-1
1250' FSL & 660' FEL, Section 25
T-26-S, R-30-E
Eddy County, New Mexico

Earle M. Craig, Jr. Corporation requires approval of the captioned unorthodox location to extend New Mexico Wolfcamp gas and condensate production along the geographically narrow northeast-southwest Red Bluff-Phantom Draw Wolfcamp gas productive trend. Orderly and timely development of the subject field trend will require that the Spitfire "25" #A-1 well be spudded in February or March 1986. This captioned well will be the direct south offset to the Craig Spitfire "25" #1 which is currently production testing the Wolfcamp formation. After acidizing with 5000 gallons, the typical production test rate was approximately 300 MCFG per day at flowing tubing pressures between 200-400 psi from the perforated intervals indicated by the log on the enclosed cross section. There has been no significant formation water on this test, but preliminary testing indicates that the well will not be commercial. The enclosed log cross section compares the reservoir indications for the Spitfire "25" #1 with those of the nearest deep Wolfcamp test wells.

This geologic report, the above referenced geologic cross-section, and two geologic maps are submitted. These data and interpretations are evidence that the subject well should be drilled at the captioned nonstandard location.

In order to drill the Spitfire "25" #A-1, Craig must project the well to encounter at least 13' of gas saturated carbonate reservoir with porosity greater than 7% in the Wolfcamp "A" and/or encounter at least 14' of gas saturated carbonate reservoir greater than 6% porosity in the Wolfcamp "B" zone. Nearby wells with these or lesser thicknesses have been non-commercial. A favorable drillsite is geologically more likely at the subject nonstandard location just west of the Texas Pacific Phantom Draw Unit #2 well because this well encountered carbonates with adequate porosities in the "A" and "B" zones, based on the wireline logs. The porosity and gas effect are indicated in red on the enclosed log cross section of the Wolfcamp interval. Reservoir isolith maps of the Wolfcamp "A" and "B" zones are enclosed to show the distribution of Wolfcamp carbonate gas reservoirs. It is possible that the Texas Pacific Phantom Draw Unit #2 well was not a commercial

EARLE M. CRAIG, JR. CORPORATION

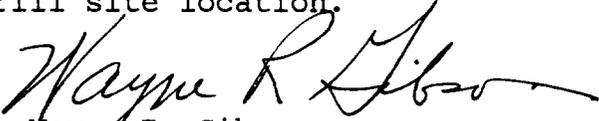
Non-Standard Location

Spitfire "25" #A-1

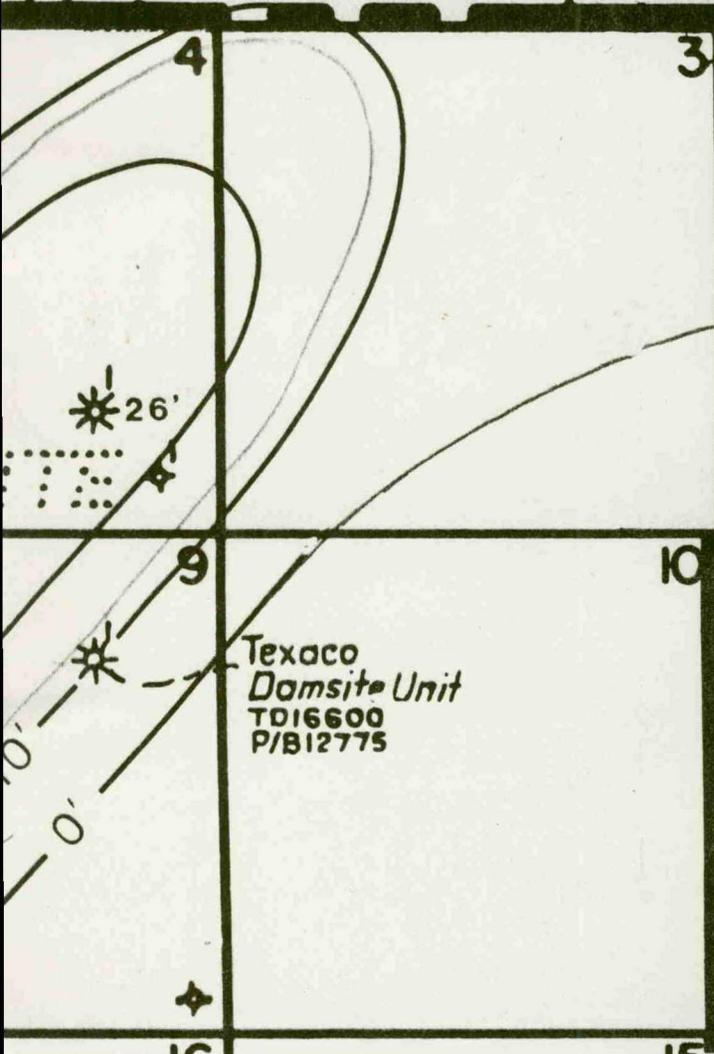
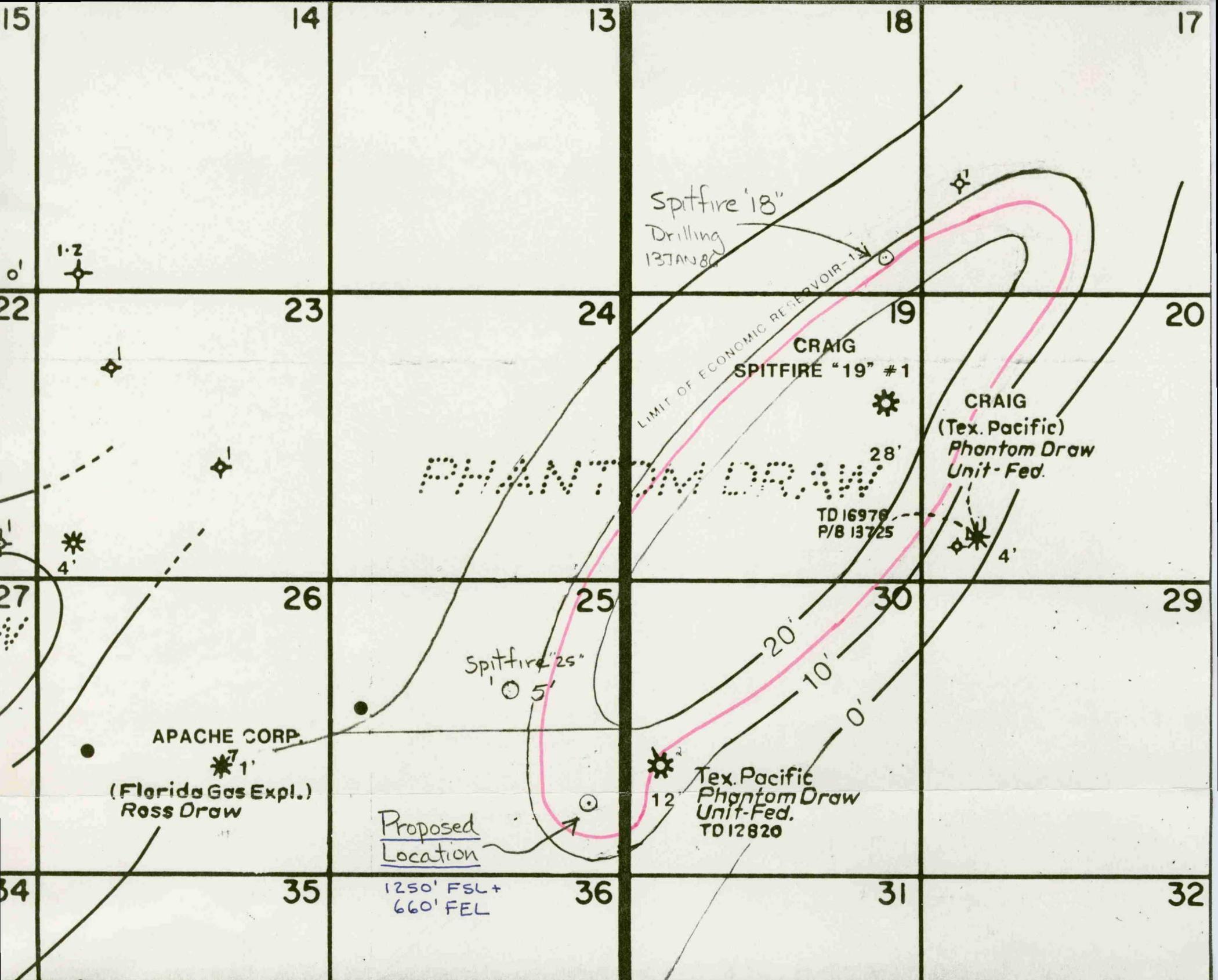
21 January 1986

producer for various technical reasons rather than only reservoir geology.

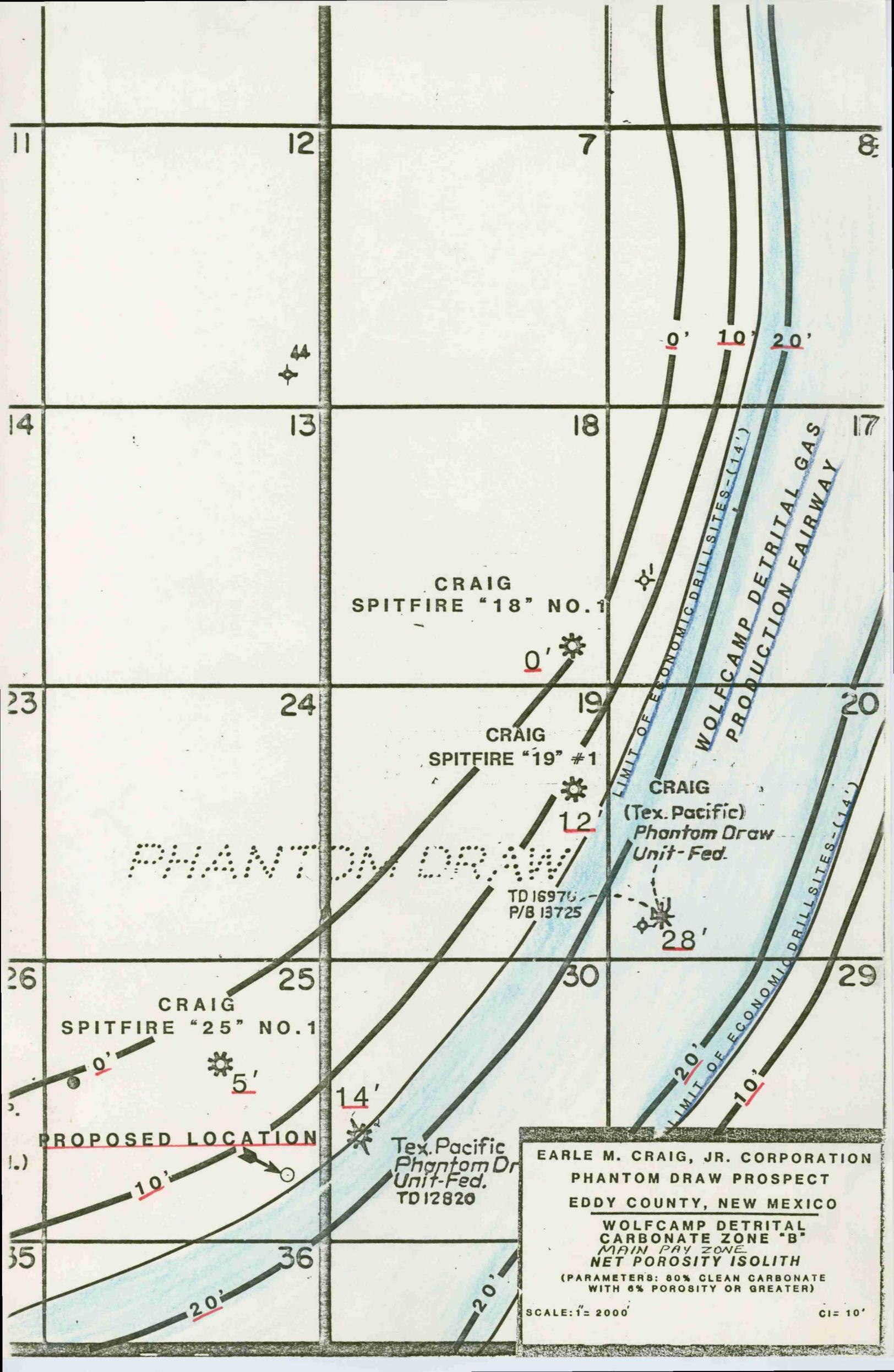
The captioned proposed Spitfire "25" #A-1 is not without geologic and engineering risks. The Wolfcamp reservoir isolith maps demonstrate the interpretation of relatively narrow reservoir trends, narrow enough to require the captioned nonstandard drill site location.


Wayne R. Gibson
Manager, Geology & Geophysics

WRG/lw



EARLE M. CRAIG, JR. CORPORATION
 PHANTOM DRAW PROSPECT
 EDDY COUNTY, NEW MEXICO
 NET POROSITY ISOLITH MAP
 (PARAMETERS: CLEAN CARBONATE WITH 7% POROSITY OR GREATER)
 WOLFCAMP DETRITAL ZONE "A"
 REVISED 13 JAN. 1986
 21 AUGUST 1985
 B L SHACKELFORD
 SCALE: 1"-2000' REVISED BY WR GIBSON CI-10'



CRAIG
SPITFIRE "18" NO. 1

CRAIG
SPITFIRE "19" #1

CRAIG
SPITFIRE "25" NO. 1

PHANTOM DRAW

TD 16975
P/B 13725

Tex. Pacific
Phantom Dr
Unit-Fed.
TD12820

PROPOSED LOCATION

EARLE M. CRAIG, JR. CORPORATION
PHANTOM DRAW PROSPECT
EDDY COUNTY, NEW MEXICO
WOLFCAMP DETRITAL
CARBONATE ZONE "B"
MAIN PAY ZONE
NET POROSITY ISOLITH
(PARAMETERS: 80% CLEAN CARBONATE
WITH 6% POROSITY OR GREATER)

SCALE: 1" = 2000'

CI = 10'