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

Attn: Joe Ramey

Gentlemen:

Conoco Inc. respectfully requests administrative approval to produce AXI Apache A No. 10 as a tubingless completion.

The AXI Apache A No. 10 is a gas well in Ballard Pictured Cliffs formation. It is located 1040' FSL & 1670' FEL of Section 10, T-23N, R-5W in Rio Arriba County.

This well was drilled to a total depth of 2420' with the following casing and cementing programs:

Casing:

surface - 8-5/8", 24#, K-55 set at 293' production - 3-1/2", 9.3#, EUE set at 2414'

Cement:

surface - cemented with 225 sx Class "B" to surface production - cemented with 350 sx 50-50 pozmix and 100 sx Class "B" neat. Cement top at 865' from temperature survey

This well has been producing with an average daily rate of 1700 MCFPD with little or no fluid production. In the event the well begins significant production of liquids, Conoco intends to run 1-1/4", 2.1#, I.J. tubing to unload the well.

In our opinion, no loss of production and/or reserves due to the above well completion will result, therefore, we respectfully request administrative approval to produce this well as a tubingless completion.

Yours very truly,

M. K. Mosley

Division Manager

cc: NMOCD - Aztec

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