



CONTINENTAL OIL COMPANY

P. O. Box 3312
Durango, Colorado
April 20, 1965

New Mexico Oil Conservation Commission
P. O. Box 697
Aztec, New Mexico

Gentlemen:

Operating pressures noted during routine field operations indicate a communication leak exists in Continental's dual completion Well, Northeast Haynes Apache No. 8, Unit P, Section 15, T24N, R5W, Rio Arriba County, New Mexico. It is proposed to begin remedial work to determine and correct the communication leak as soon as possible.

Attached is a schematic diagram showing the present mechanical dual completion method used to produce oil from the Otero Gallup Pool and gas from the Basin Dakota Pool. It is believed the communication leak is in the cross-over packer assembly used in this completion.

After pulling the cross-over packer from the well to repair the leak, we propose to change the mechanics of the dual completion to eliminate the cross-over packer, and produce each zone through separate tubing strings. In order to produce oil from the Gallup Pool through 1" tubing, it will be necessary to supplement the Gallup energy with Dakota gas to enable gas lift production of the fluid. The Dakota gas will be metered prior to being injected. Attached is Schematic Diagram No. 2 showing the changes we propose to make in the present dual completion.

Authority is requested to convert the present dual completion to the method shown, and to utilize Dakota gas for gas lift injection. The gas produced with the Gallup oil is sold to the same purchaser as the Dakota gas. The Dakota gas injected will be continuously metered and total gas produced with the Gallup oil will be metered during periodic well tests.

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The Northeast Haynes Well No. 8 is presently shut-in. Remedial action to repair the present leak will be deferred pending Commission approval to convert the dual completion as proposed and authorization to gas lift with Dakota injection gas.

If any additional information is required, please advise.

Yours very truly,

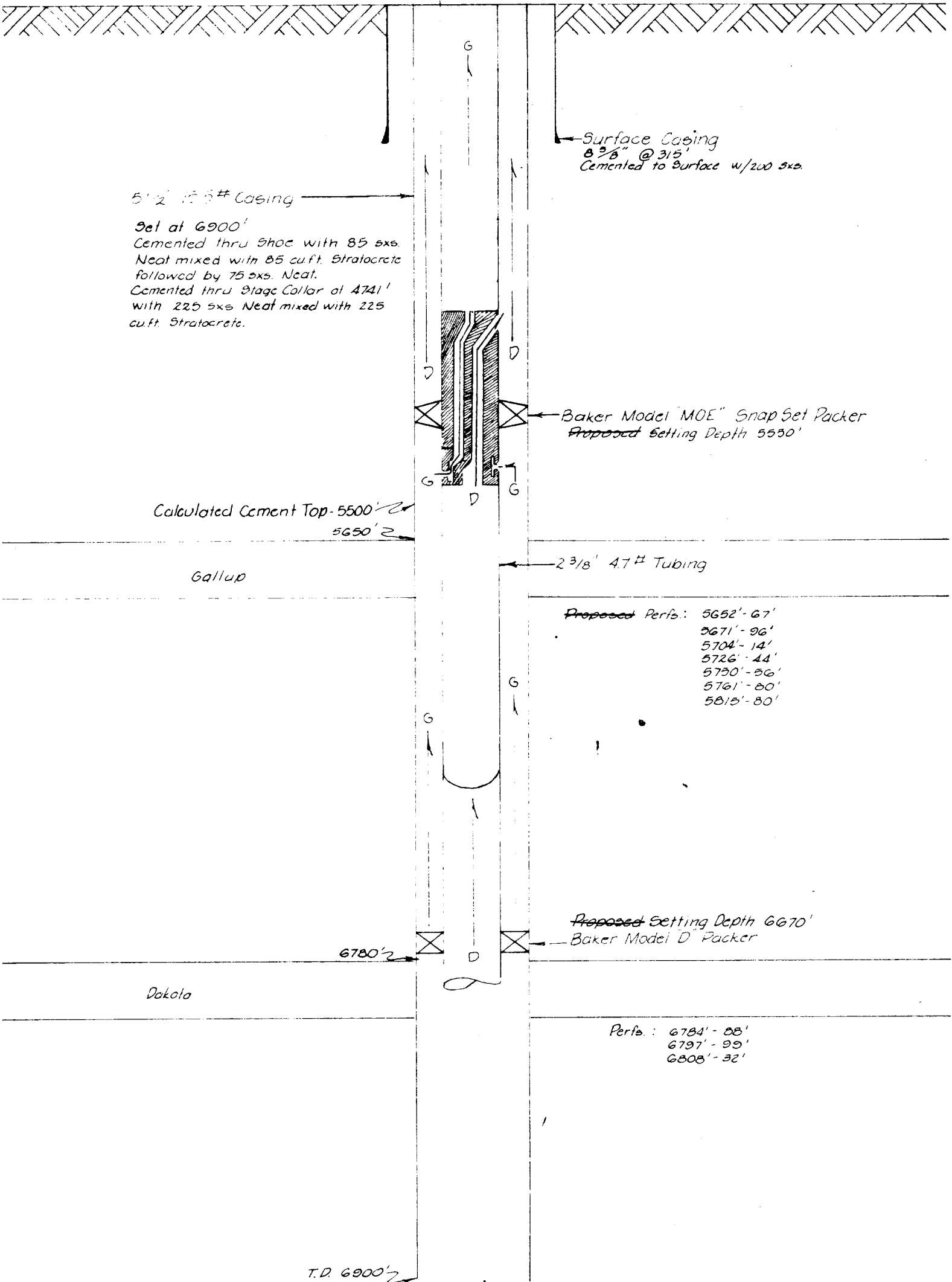


H. D. Haley
District Manager
Durango District
Production Department

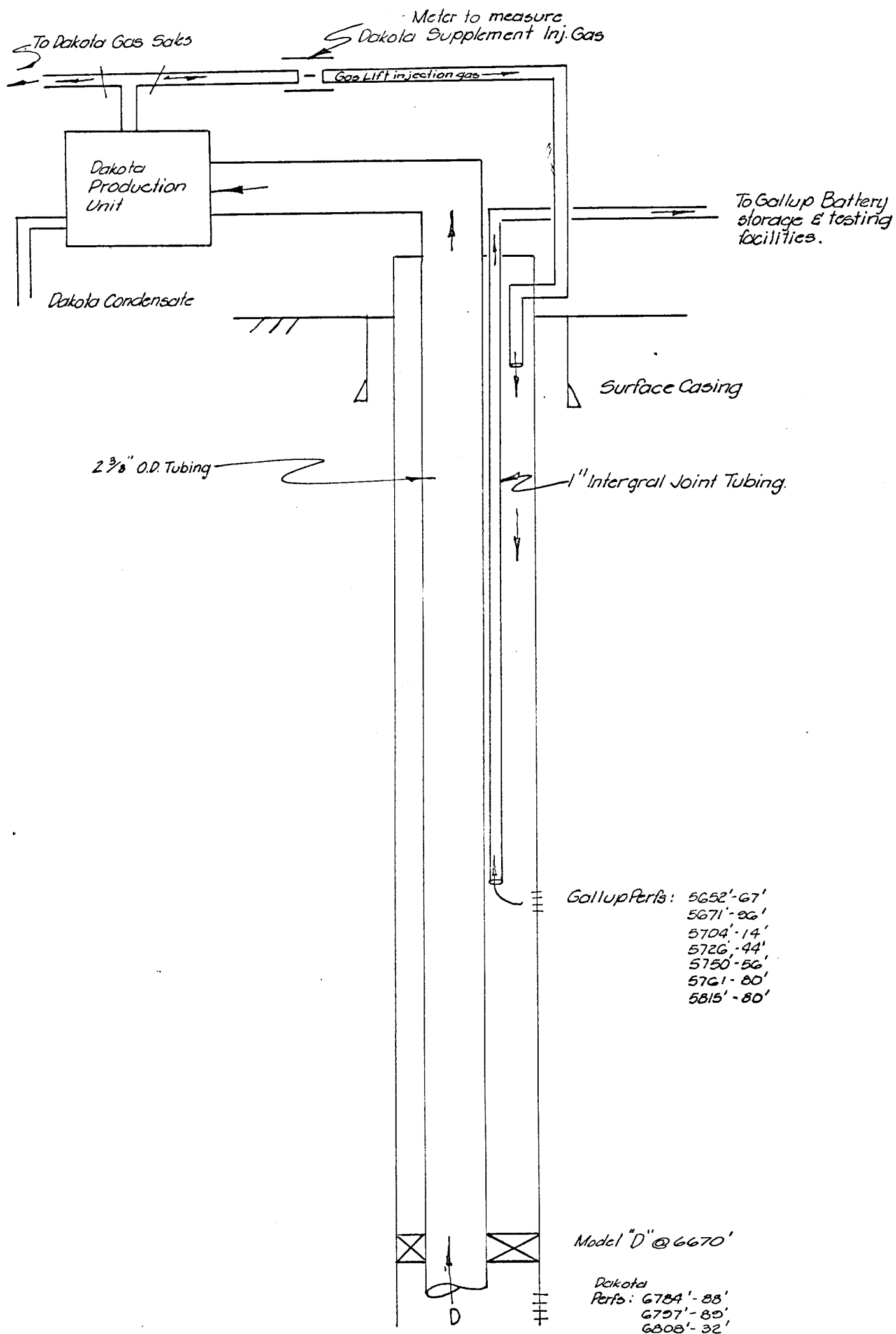
GAB/slf

cc: Mr. Alex Chapman, Continental Oil Company, Farmington, New Mexico

Attachment



SCHEMATIC DIAGRAM of DUAL
 COMPLETION of NE HAYNES
 WELL 8
 CONTINENTAL OIL CO.
 Dakota & Gallup Formations.



SCHEMATIC DIAGRAM No. 2
 PROPOSED DUAL COMPLETION
 NE. HAYNES NO. 8
 UNIT P, Section 15, T24N, R5W
 Rio Arriba Co., New Mex.