

OIL CONSERVATION COMMISSION
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO

will file

January 31, 1966

Petroleum Property Management, Inc.
2501 Cedar Springs Road
Dallas, Texas 75201

Attn: Mr. R. Mayo Bowen, Jr.
Vice President

Re: Proposed Remedial Action
Hanson Federal #1, SW $\frac{1}{4}$
Section 11 Township 26N
Range 11W

Dear Mr. Bowen:

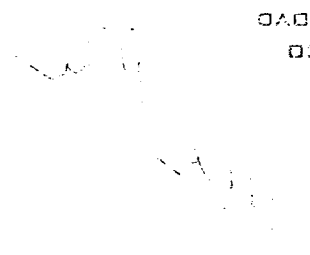
We have your letter of January 25, 1966 outlining the proposed remedial procedure for the above well. Your letter refers to the well as being in Section 26-26N-11W but our records indicate that it is in Section 11, so I believe that this was an error.

As a matter of policy this office has never approved the use of production packers in the repair of casing leaks unless the operator first repaired the production casing by squeezing cement at the point where the casing has failed. We have, however, during the past several months given approval for two or three casing repair jobs on wells similar to yours where the operator has set a production packer near the production casing shoe and filled the annulus between the tubing and casing with Ken-Pak or a similar material which solidifies in the annulus and thereby stays where it has been placed. The use of this type of material was approved by the Commission after hearing. It was felt that this material would adequately prevent the movement of gas in the event of packer failure, whereas a fluid such as mud in the annulus would not.

You have said in your letter that the upper sands would be protected against contamination by the presence of primary cement; however in reviewing the original completion on this well it does not appear that the Tertiary sands below the surface casing had cement across them and although the top of the cement is not given I would doubt that the Pictured Cliffs-Fruitland zone is covered either. Therefore we would not approve remedial action such as you have outlined in your letter. However if you care to pursue the matter further you may make application to the Oil Conservation Commission in Santa Fe in order that the matter may be set for hearing so that the

OIL CONSERVATION COMMISSION

1200 RIO GRATE ROAD
ALBANY, NEW YORK



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Commission may consider your request. If you have any further questions regarding the matter, please contact us.

Yours very truly

Emery C. Arnold
Supervisor, District #3

ECA:ks

cc: A.L. Porter
OCC, Santa Fe, N.M.

United States Geological Survey
Farmington, N.M.

PETROLEUM PROPERTY MANAGEMENT, INC.

2501 CEDAR SPRINGS ROAD
DALLAS, TEXAS 75201

H. J. GRUY
PRESIDENT
R. MAYO BOWEN, JR.
VICE-PRESIDENT
L. R. POMEROY, III
VICE-PRESIDENT

January 25, 1966

Ans. 1-31-66
EJ

Mr. E. C. Arnold
District Supervisor
New Mexico Oil Conservation Commission
1000 Rio Brazos
Aztec, New Mexico

11

Re: Hanson Federal No. 1, Section 26, Township 26, Range 11,
San Juan County, New Mexico

Gentlemen:

The Hanson Federal No. 1 has recently developed a leak in the
4 1/2" casing and the well logged up with drilling mud.

The well is completed in the Dakota gas zone and has been producing
80 to 130 mcf per day. Due to the extremely low productivity of the well,
an elaborate remedial program can not be justified.

We propose to set a production packer immediately above the Dakota
perforations and produce the gas through 2" tubing. In effect, the well
would produce as in a tubingless completion. The annular space between
the tubing and casing would be filled with mud and sealed at the surface.
The production packer would isolate the producing zone and surface sands
would still be protected against contamination by the presence of the primary
cement.

In order to prevent premature abandonment of this well and undue
waste of natural resources, we request approval to produce this well in
the manner outlined above.

Yours very truly,

R. Mayo Bowen Jr.

R. Mayo Bowen, Jr.
Vice President

RRP:lc

