

NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARAMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC NM 87410
(505) 334-8178 FAX: (505) 334-6170
http://emnrd.state.nm.us/ocd/District III/3distric.htm

GARY E. JOHNSON Governor Jennifer A. Sallsbury Cabinet Secretary

August 11, 1999

Ms Yolanda Perez Conoco, Inc. 10 Desta Drive, Suite 100W Midland, TX 79705-4500

Re:

Hodges #11, 27-26N-08W, API # 30-045-20080

Application For Tubingless Exception To Rule 107

Dear Ms Perez:

Your request to pull tubing in the referenced well and install a casing plunger is hereby granted. This action may produce gas and lift oil and water more efficiently that could result in the recovery of additional reserves. If the plunger is removed after installation, tubing must be re-run before the well is allowed to produce.

If you have any questions, please contact this office.

Yours truly,

Ernie Busch

District Geologist/Deputy O&G Inspector

Exing Busch

EB/mk

Xc:

Roy Johnson-Santa Fe

Well File

CANDRATHE #73 Los

CONOCO INC
KAY MADDOX
10 DESTA DR STE 100W
MIDLAND TX 79705

June 23, 1999

Mr. Ernie Busch New Mexico Oil Conservation Division – Aztec District Office 1000 Rio Brazos Road Aztec, New Mexico 87410

RE: Application for Tubingless Exception to Rule 107

Hodges #11 API # 30-045-20080 Section 27, T-26-N, R-8-W,M

Lindrith "B" #73 API # 30-039-24089 Section 6, T-24-N, R-2-W, A DECENTED

JUN 2 8 1999

OIL COM. DIV.

Dear Mr. Busch,

An exception to Rule 107, requiring the above listed wells to be produced with tubing, is requested. It is believed that producing the well tubingless will increase the producing rate efficiency and maximize recovery from this well. The purpose for removing the tubing from this well is to allow the use of the new innovative casing plunger that allows continuos gas flow while at the same time automatically lifting produced oil and water volumes.

Whereas requests and application for tubingless completions have typically been for newer, high rate gas wells in an effort to reduce the flow restrictions of tubing, these three wells are marginal low rate producers whose production has been restricted by fluid loading. Due to overloading and downtime the referenced wells are not producing at their maximum ability.

The discovery of the new innovative casing plunger seems to offer a more efficient producing solution. Conoco, Inc. was granted permission to use this tool on the Ohio #1 By Order TX 278 dated 12/15/97. This new innovative approach (to the San Juan) for increasing the producing efficiency and ultimate recovery of mature depleted gas wells has been extremely successful as evidenced in the Ohio #1.

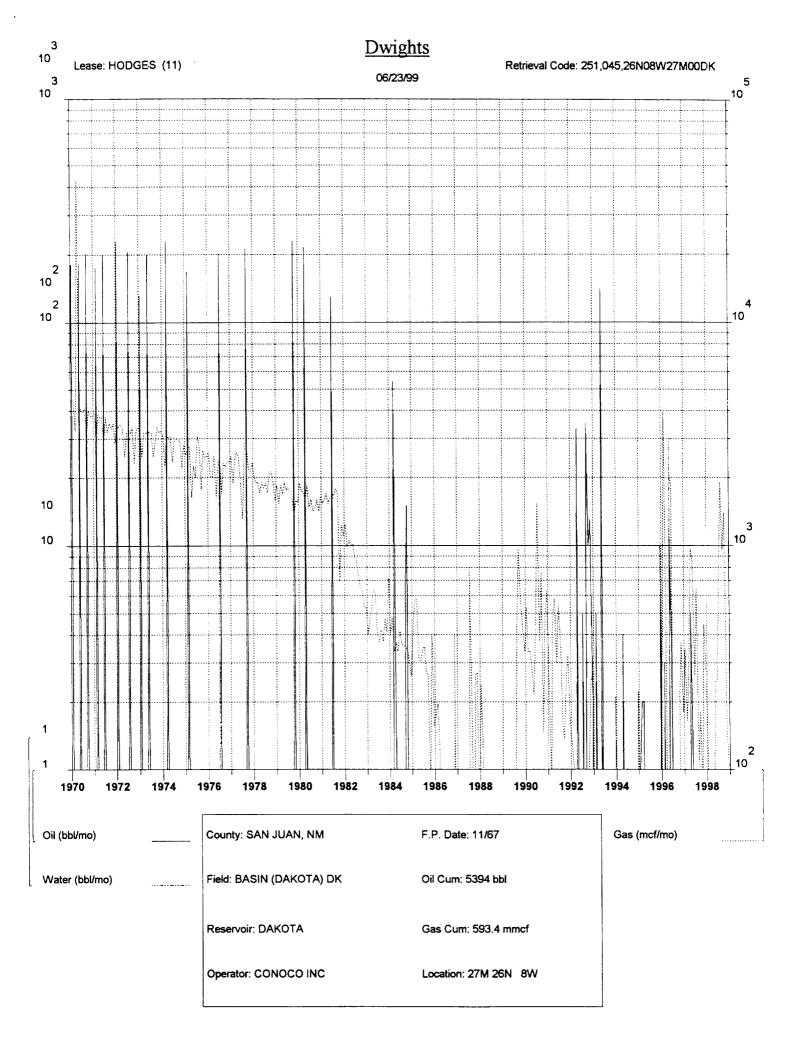
To configure the wellbores for use with the casing plungers the production tubing will be removed and the casing pressure tested for leaks and drift. A casing scraper will be used to clean out the interior casing surface and then re-pressure tested. A downhole collar stop and casing plunger catcher will be installed in the first collar above the top perforation (refer to wellbore schematic). At the surface, the wellhead will be configured with a plunger catcher and a bypass with an automated controller. The plunger is automatically dropped when a fluid loading problem is detected by the surface controller while allowing continuous gas flow through its internal bypass valve.

Conoco, Inc. requests that they be granted an exception to Rule 107 for the above referenced wells to continue this tubingless operation to fully optimize and economically produce the three mature and depleted Dakota gas wells. If there are additional questions regarding this application please call me at (915) 686-5798.

Sincerely yours,

Kay **∦**laddox

Regulatory Agent - Conoco, Inc.



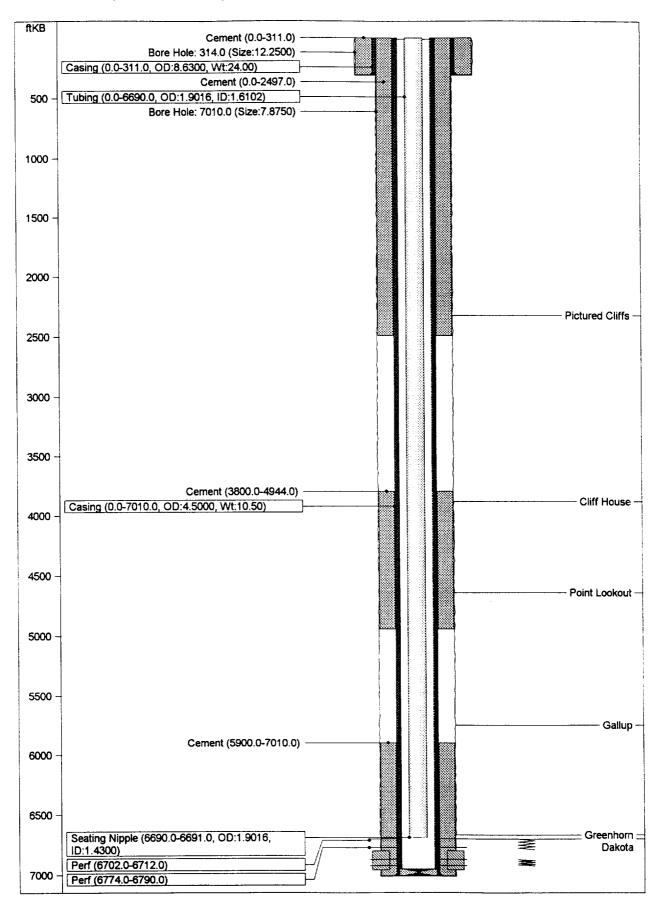
Lease: Field: Operator: RCI #: API #:	HODGES BASIN (DAKOTA) DR CONOCO INC 251,045,26N08W27M 30-045-20080-00		Well #: Location: Liquid Cum: Gas Cum: Status:	11 27M 26N 8W 5,394 bbls 593,421 mcf ACT GAS	FP Date: 67-11 LP Date: 98-12 Liq Since: FPDATE Gas Since: FPDATE
DATE	OIL, BBLs	GAS, MCF	WATER, BBLs	WELLS	
01/1998	0	97	0	1	
02/1998	0	89	0	1	
03/1998	0	25	0	1	
04/1998	0	70	0	1	
05/1998	0	246	0	1	Gas Production
06/1998	0	250	0	1	1000
07/1998	0	693	0	1	100
08/1998	0	1,900	0	1	10
09/1998	0	958	0	1	
10/1998	0	1.390	0	1	

5,976

11/1998

12/1998

Total



151.6	3MH 10/14/97)					
		0452008000	Field Code	676383130		
TD		010.0 ftKB	Basin	SAN JUAN BASIN		
PBTD		950.0 ftKB	Basin Code	580		
State		ew Mexico	Permit	31-May-67		
County		AN JUAN	Spud	11-Jun-67		
District	Sa	n Juan O.U.	Finish Drl	29-Jun-67		
Permit No.			Completion	08-Jui-67		
TD Measured		7010 ftKB	Abandon			
Reservoir		Dakota				
Field	[BASIN DK				
Event History						
Date	Event	Description	Description			
01-Nov-95	Note	Conoco assu	noco assumed operations from Merit			
18-Dec-87	Tub Run	1.9016 in Se	1.9016 in Seating Nipple, ID: 1.4300in, 1.9016 in Tubing, Jnts: 206, ID: 1.6102in			
08-Jul-67	Note	Initial Potenti	Initial Potential: AOF 3006 MCF, 2600 MCFGPD on 3/4 in ck, CP 960 TP 210			
06-Jul-67	Stim/Treat	Fracture, 687	Fracture, 6872.0 - 6924.0ftKB, Fracture, 6702.0 - 6790.0ftKB			
06-Jul-67	Perf	6872.0 - 692	6872.0 - 6924.0ftKB, 1.0/ft, 6774.0 - 6790.0ftKB, 2.0/ft, 6702.0 - 6712.0ftKB, 2.0/ft			
05-Jul-67	Other Run	Cement Plug	Cement Plug, 6950.0 - 7010.0ftKB, OD: 4.0000in			
05-Jul-67	Stim/Treat	Cement Squ	Cement Squeeze, 6800.0 - 6960.0ftKB			
05-Jul-67 Log		GR-CBL, 59	GR-CBL, 5900.0 - 7007.0ftKB, PanGeo			
30-Jun-67	Cas Cmnt	Production Casing, Top Found At 5900.0ftKB, With 650sx, Production Casing, To				
		Found At 380	Found At 3800.0ftKB, With 850sx, Production Casing, Top Found At 0.0ftKB, With			
		1000sx	,	, , , , , , , , , , , , , , , , , , ,		
30-Jun-67	n-67 Cas Run		4.5000 in Casing, Jnts: 218, ID: 4.0500in			
29-Jun-67 Log		DEN, 6650.0	DEN, 6650.0 - 7009.0ftKB, Schlumberger, IND, 311.0 - 7009.0ftKB, Schlumberger			
29-Jun-67 Bore Hole		7.8750in, De	7.8750in, Depth 7010.0ftKB			
			Surface Casing, Top Found At 0.0ftKB, With 250sx			
11-Jun-67 Cas Run			8.6300 in Casing, Jnts: 10, ID: 8.1000in			
11-Jun-67 Bore Hole			12.2500in, Depth 314.0ftKB			

CONOCO INC
KAY MADDOX
10 DESTA DR STE 100W
MIDLAND TX 79705

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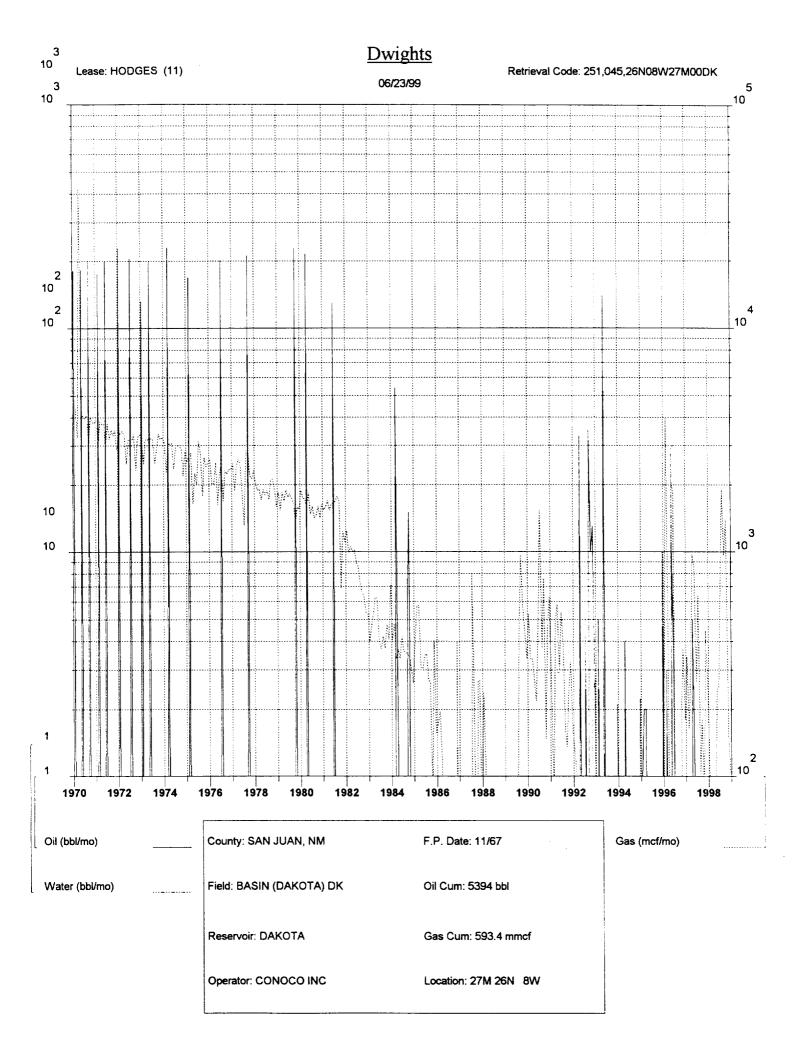
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11/1998	o	156	. 0	1	
12/1998	0	102	0	1	
Total	0	5,976	0		

Well #:

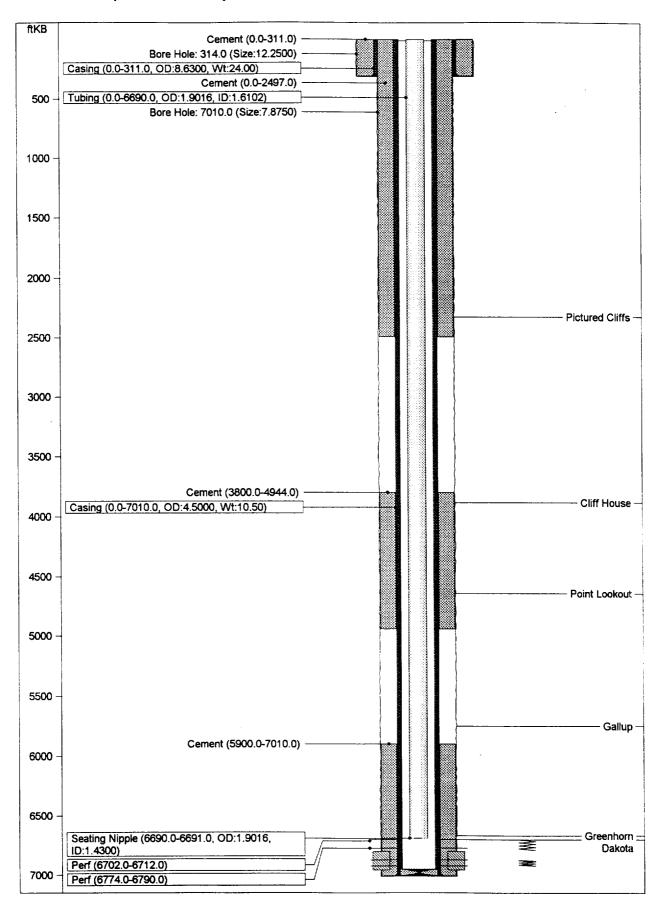
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Lease:

HODGES

FP Date:

67-11



API Code	300	0452008000	Field Code	676383130		
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State	N	ew Mexico	Permit	31-May-67		
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