NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC NM 87410
(505) 334-6178 FAX: (505) 334-6170
http://emnrd.state.nm.us/ocd/District III/3district.htm

GARY E. JOHNSON
Governor

Jennifer A. Salisbury
Cabinet Secretary

June 11, 1999

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

Re: Nickson #13, M-26-26N-08W, API # 30-045-20168
Application For Tubingless Exception To Rule 107

Dear Ms Maddox:

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

Ernie Busch
District Geologist/Deputy O&G Inspector

EB/mk

Xc: Roy Johnson-Santa Fe
Well File

287#186 TBX

NICKSON#13 TBX

conoco

Mid-Continent Region
Exploration/Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

May 25, 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**

San Juan 28-7 # 186
API # 30-039-20644
Section 13, T-28-N, R-7-W, K

Nickson # 13
API # 30-045-20168
Section 26, T-26-N, R-8-W, M

Nickson # 16
API # 30-045-20183
Section 35, T-26-N, R-8-W, O

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.

Midland Division
Exploration Production

Conoco Inc.
10 Desta Drive, Suite 100W
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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 Maddox

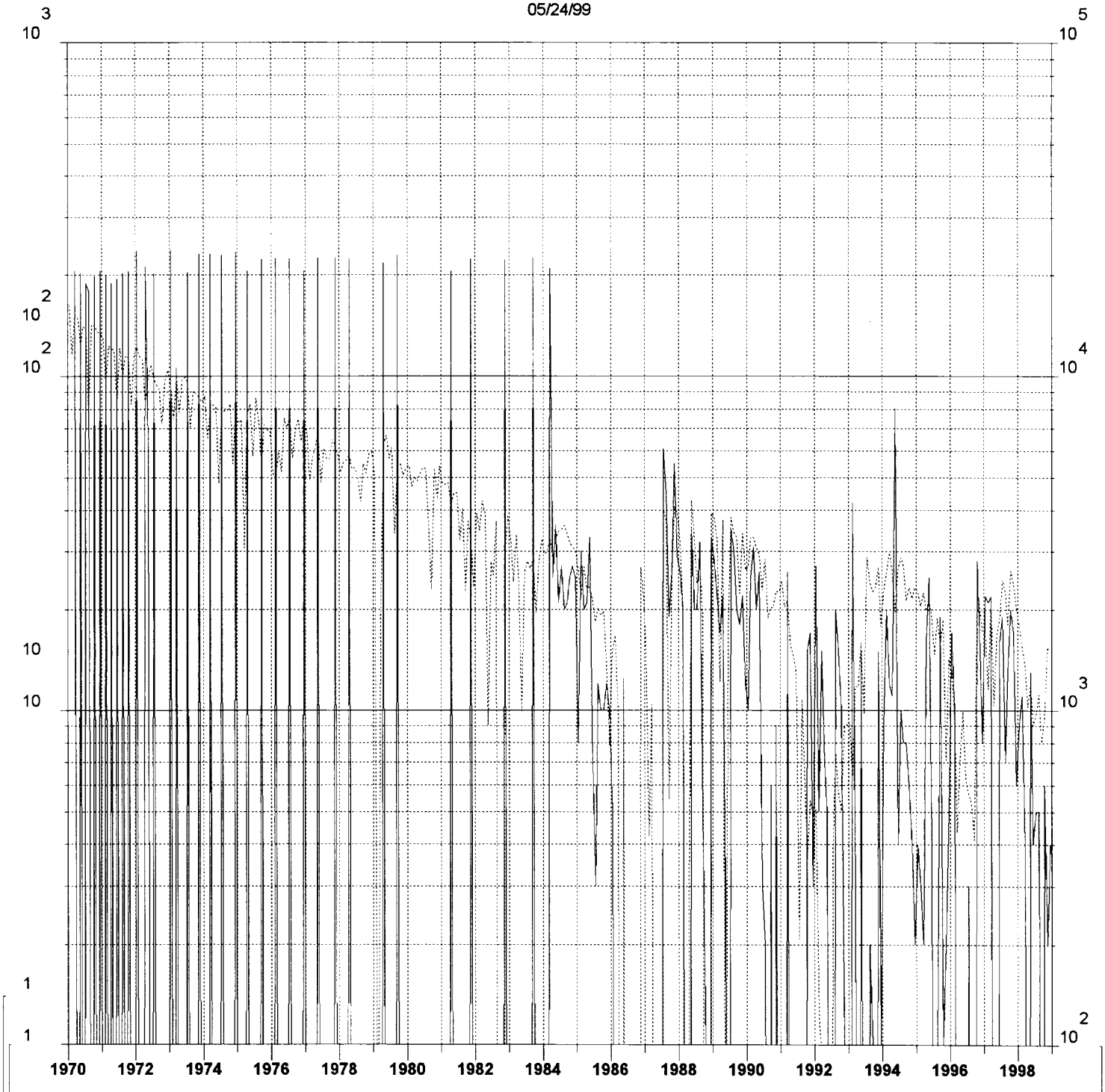
Kay Maddox
Regulatory Agent – Conoco, Inc.

Dwights

Lease: NICKSON (13)

05/24/99

Retrieval Code: 251,045,26N08W26M00DK



Oil (bbl/mo)

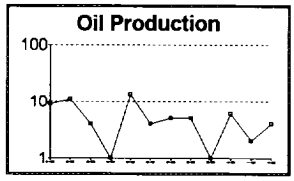
Water (bbl/mo)

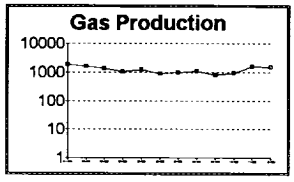
Gas (mcf/mo)

County: SAN JUAN, NM	F.P. Date: 03/68
Field: BASIN (DAKOTA) DK	Oil Cum: 12.91 mbbl
Reservoir: DAKOTA	Gas Cum: 1859 mmcf
Operator: CONOCO INC	Location: 26M 26N 8W

Lease:	NICKSON	Well #:	13	FP Date:	68-03
Field:	BASIN (DAKOTA) DK	Location:	26M 26N 8W	LP Date:	98-12
Operator:	CONOCO INC	Liquid Cum:	12,906 bbls	Liq Since:	FPDATE
RCI #:	251,045,26N08W26M00DK	Gas Cum:	1,858,581 mcf	Gas Since:	FPDATE
API #:	30-045-20168-00	Status:	ACT GAS		

DATE	OIL, BBLs	GAS, MCF	WATER, BBLs	WELLS
01/1998	9	1,791	0	1
02/1998	11	1,542	0	1
03/1998	4	1,375	0	1
04/1998	0	1,022	0	1
05/1998	13	1,189	0	1
06/1998	4	901	0	1
07/1998	5	964	0	1
08/1998	5	1,114	0	1
09/1998	0	800	0	1
10/1998	6	950	0	1
11/1998	2	1,543	0	1
12/1998	4	1,487	0	1
Total	63	14,678	0	





NICKSON 13 (SLB 10/1/97)

NICKSON 13 (SLB 10/1/97)			
API Code	300452016800	Field Code	676383130
TD	7300.0 ftKB	Basin	SAN JUAN BASIN
PBTD	7281.0 ftKB	Basin Code	580
State	New Mexico	Permit	10-Oct-67
County	SAN JUAN	Spud	25-Oct-67
District	San Juan O.U.	Finish Drl	12-Nov-67
Permit No.		Completion	25-Nov-67
TD Measured	7300 ftKB	Abandon	
Reservoir	Dakota		
Field	BASIN DK		

Location

Meridian	NM	Top Latitude	36.45261
Twnship	26N	Top Longitude	107.6577
Range	8W	Top NS Distance	790.0 ft S
Section	26	Top EW Distance	915.0 ft W
Quarter	SW SW	Bottom Latitude	0
		Bottom Longitude	0
		Btm NS Distance	0.0 ft
		Btm EW Distance	0.0 ft

Elevations

KB	6951.0 ft	Cas Flng	0.0 ft
Grd	6939.0 ft	Tub Head	0.0 ft
KB-Grd	12.0 ft		

Bore Hole Data

Depth (ftKB)	Size (in)
410.0	12.2500
7300.0	7.8750

Casing String - Surface Casing

Item (in)	Btm (ftKB)	Jnts	ID	Wt	Grd	Thd	Comments
8.6300 in Casing	405.0	12	8.1000	24.00	J-55		

Casing String - Production Casing

Item (in)	Btm (ftKB)	Jnts	ID	Wt	Grd	Thd	Comments
4.5000 in Casing	7299.0	230	4.0500	10.50	J-55		

Casing Cement

Casing String	Top (ftKB)	Amount (sx)	Comments
Surface Casing	0.0	250	Cmt circ.
Production Casing	0.0	1200	TOC est. DV @ 5312 & 2912. 1st stg 750 cf, 2nd stg 950 cf, 3rd stg 1200 cf.

Other (plugs, equip., etc.) - Plug Backs

Date	Item	Int (ftKB)	Comments
19-Nov-67	Cement Plug	7281.0 - 7299.0	

Perforations

Date	Int	Shots (/ft)	Type	Comments
20-Nov-67	7048.0 - 7124.0	1.0		@ 7048-7056, 7118-7124
20-Nov-67	7208.0 - 7271.0	1.0		@ 7208-7225, 7230-7271 in 500 G 7 1/2%

Stimulations & Treatments

Date	Type	Zone	Int	Fluid	Comments
20-Nov-67	Fracture	Dakota	7048.0 - 7124.0	Water	31,880 G w/20,000# 20/40, 10,000# 10/20 & 1,000# 12/20 gl bds. BD=4000#, TP=4000#, ATP=4000# @ 40 bpm. Sprhd w/500 G 7 1/2% HCL.
20-Nov-67	Fracture	Dakota	7208.0 - 7271.0	Water	90,300 G, w/50,000# 20/40, 20,000# 10/20 & 1,000# gl bds. BD=3300#, TP=4050-3900#, ATP=3950# @ 45 bpm. Drop 5 BS, sprhd w/500 G 7 1/2% HCL.

Tubing String - Primary Tubing

Item (in)	Top (ftKB)	Len (ft)	Jnts	ID (in)	Wt	Grd	Thd	Comments
1.9016 in Tubing	0.0	7155.0	218	1.6102	2.90		EUE	Records indicate 1 1/2" tbg.

Formation/Horizon Tops

Top (ftKB)	Formation
2670.0	Pictured Cliffs
4245.0	Cliff House
4978.0	Point Lookout
6090.0	Gallup
7048.0	Dakota

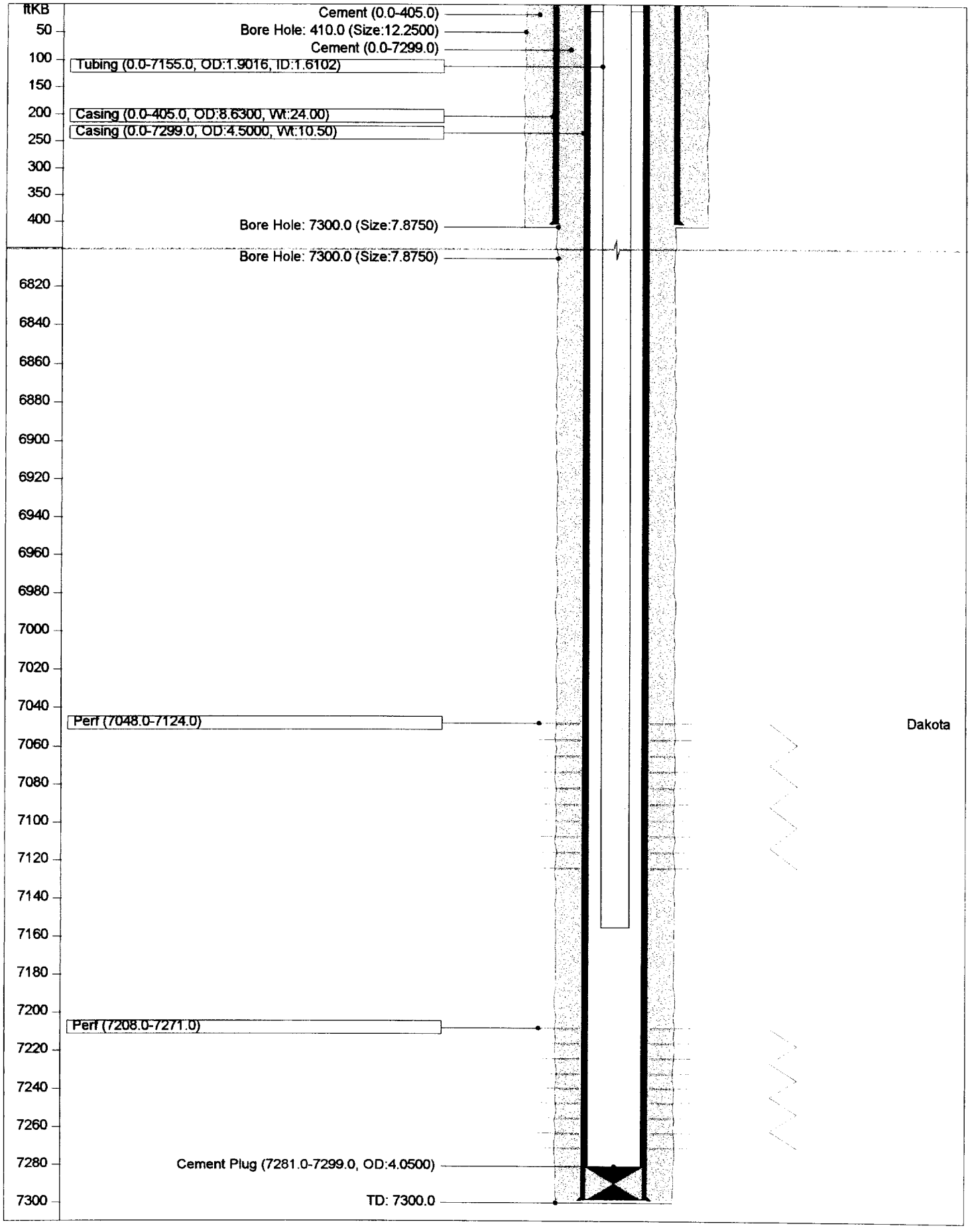
Logs Run

Date	Type	Int	Company	Comments
12-Nov-67	IND	405.0 - 7296.0	Lane Wells	
12-Nov-67	DEN	6970.0 - 7298.0	Lane Wells	Also @ 2600-2820, 6150-6670.
26-Nov-67	GR-CBL	6900.0 - 7281.0		Not in Midland File.

NICKSON 13 (SLB 10/1/97)

General Notes	
Date	Note
25-Nov-67	Initial Potential: 2971 MCFGP on 3/4 ck, cp 937 TP 240
01-Nov-95	Conoco assumes operations from Merit Energy.

NICKSON 13 (SLB 10/1/97)



NICKSON 13 (SLB 10/1/97)