KINGWOOD OIL COMPANY

(A DIVISION OF NATIONAL INDUSTRIES, INC.)

100 PARK AVENUE BUILDING

OKLAHOMA CITY, OKLAHOMA 73102

March 25, 1968

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Hew Mexico Oil Conservation Commission Aztec, New Mexico

Re: Repair of Casing Leak on Knauff "B" #1 NE/4 NW/4 Section 31-28N-10W, San Jaun County, New Mexico

Gentlemen:

Kingwood Oil Company respectfully requests approval of the method we propose to repair a casing leak on the subject well. A retrievable packer has been set above the perforations. We propose to pump Ken-Pak or Halliourton's An-Jel down the annulus between the tubing and the casing in sufficient quantity to completely fill the annulus between the tubing and the casing, assuming the hole is immediately above the packer which is set at 6.110'.

Upon completion the well was perforated at 6,216'-60', 6312'-22 and 6328'-37. The well was cemented in two stages. The first stage employed 265 sacks of Pozmix with 3300 pounds of Gilsonite. The second stage employed 70 sacks of Pozmix. The DV tool is at 1,316'.

The subject well is nearing the economic limit and it will probably be uneconomical to operate very many more years. We would like to repair this well as inexpensively as possible and still adequately protect all formations. We feel that if an excessively expensive repair procedure is required, pre-mature abandonment may be necessary. Pre-mature abandonment would result in some hydrocarbons never being recovered and therefore cause waste.

Yours very truly,

KINGWOOD OIL COMPANY

William Miners

Marvin Murray

BMJ:sm

