

P. O. Box 728
Hobbs, New Mexico
December 28, 1962

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CASING PROGRAM

TEXACO Inc.

State of New Mexico "AE" Well No. 4
Undesignated Abo Pool
Unit F, Section 12, T-18-S, R-34-E
Lea County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico

Attention: Mr. Joe D. Ramey

Gentlemen:

This letter is respectfully submitted as suggested by Messrs. Joe D. Ramey and Eric F. Engbrecht during the course of a telephone conversation with Mr. D. M. Williams on December 26, 1962.

An investigation of drilling and completion of wells in the Abo formation in the subject area revealed to TEXACO Inc. that an economical and adequate method included setting surface casing at approximately 3150 feet and circulating cement to the surface of the ground with a conductor string set at approximately 30 feet. Prior to completion of the investigation, Form C-101 "Notice of Intention to Drill" dated November 29, 1962 had been submitted to the Commission listing surface pipe to be set at 320 feet and intermediate casing at 3150 feet in the subject well, which was in accord with the casing programs of previous wells in the area. This Form C-101 was approved by the Commission on December 3, 1962. Meanwhile, the investigation mentioned above was completed and it was decided to adopt the revised program of 30 feet of conductor casing and 3150 feet of surface casing which was believed would be favorably received by the Commission. This belief was based upon the fact that the shallow Ogalalla water sands would be exposed for only a brief period of time while drilling through the salt section before setting casing at 3150 feet, and that the spud mud and Red Bed mud would adequately protect those shallow sands during this short period of time. However, the short time lapse between the decision to use the revised casing program and the spud date, approximately three days, resulted in inadvertently failing to file Form C-102 for Commission approval of the change of plans. This

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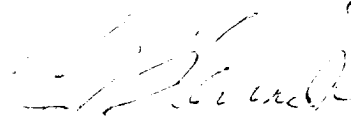
oversight was not discovered prior to notification by Mr. Engbrecht on December 26, 1962.

The subject well is currently drilling at 6510 feet after cementing conductor pipe at 30 feet and circulating cement to the surface on surface casing set at 3152 feet. An application for administrative approval of 2-7/8 inch tubingless completion has been filed with the Commission and it is anticipated that total depth of 8900 feet will be reached in approximately 14 days based upon the current rate of penetration.

In a subsequent telephone conversation with Mr. Engbrecht on December 27, 1962, detailed information was given regarding the actual cementing operation performed on the 3152 feet of surface casing that has been set in the subject well. It is our feeling that this casing string has been cemented in such a manner as to now provide adequate protection of the various zones which it covers.

If additional information or data is required, please advise.

Yours very truly,



J. G. Blevins, Jr.
Assistant District Superintendent

LMF-jr