

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
P. O. BOX 2088
Santa Fe, New Mexico 87501

October 18, 1982

HNG Oil Co.
P. O. Box 2267
Midland, Texas 79702

Attention: Betty Gildon

Administrative Order TX-99

Gentlemen:

Reference is made to your request for an exception to the tubing setting requirements as contained in Division Rule 107(d)(3) for the below-named well.

Pursuant to the authority granted me by Rule 107(d)(4), you are hereby authorized to set tubing at 12,099 feet in the following well:

<u>LEASE NAME</u>	<u>WELL NO.</u>	<u>UNIT</u>	<u>S-T-R</u>
Sims 35 State	2	J	35-20S-35E

By letter dated June 23, 1982, your application for a tubing exception for the subject well was denied, based on a gas-liquid ratio of 13,426 to one (156 barrels of condensate + 60 barrels of water and 2.9 million cubic feet of gas per day).

We subsequently authorized testing the well into a pipeline and your letter of September 30 again requesting an exception for the well is accompanied by a 24-hour test dated September 30 in which you report one million cubic feet of gas, no water, and 20 barrels of condensate. This results in a gas-liquid ratio of 50,000 to one.

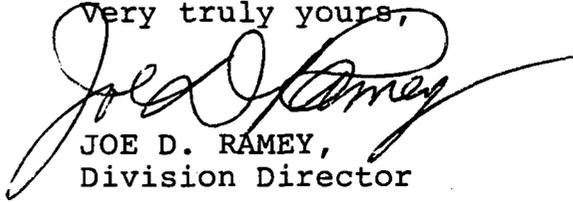
We are approving this exception at this time based on this recent test, anticipating that the well will continue to make little or no water and that the gas production will come back up, thereby causing an increase in the gas liquid ratio.

PV2V2004437067

Please re-test this well after 30 days of production into the pipeline and notify this office of the results. Our Hobbs district office (telephone 505 393-6161) should be notified of the date and hour of the test so that it may be witnessed.

The Division reserves the right to rescind this authority in the event that waste appears to be resulting therefrom.

Very truly yours,



Handwritten signature of Joe D. Ramey in cursive script, written over the typed name and title.

JOE D. RAMEY,
Division Director

JDR/DSN/dr

cc: Oil Conservation Division - Hobbs
Well file



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

June 23, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

HNG Oil Company
P. O. Box 2267
Midland, Texas 79702

Attention: Betty Gildon

Re: Sims 35 State Well No. 2
J-35-T20S-R35E
Lea County, New Mexico

Gentlemen:

Reference is made to your letter dated June 21, 1982, requesting a tubing setting depth exception for the above-captioned well.

According to the C-105 accompanying your letter, tubing is set at 12,099 feet and the perforated interval is from 13,027 to 13,198 feet. We also note that the well tested for 156 barrels of condensate with 60 barrels of water (for a total fluid content of 216 barrels of liquid) and 2.9 million cubic feet of gas. This yields a gas-liquid ratio of 13,426 cubic feet of gas per barrel of liquid produced.

The tubing setting depth of 12,099 feet is some 928 feet above the uppermost perforation. We feel that this distance is too great for a low ratio well such as this to produce through casing, and your application for an exception to Rule 107d(3) is therefore hereby denied.

Yours very truly,

JOE D. RAMEY
Director

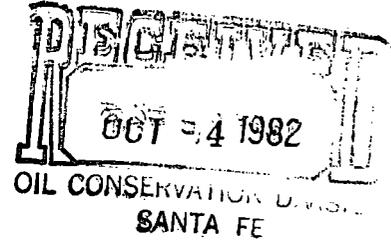
JDR/DSN/fd

cc: Hobbs OCD



P. O. BOX 2267, MIDLAND, TEXAS 79702 (915) 683-4871

September 30, 1982



State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Attn: Mr. Dan Nutter

In Re: Sims 35 State, Well No. 2
J-35-T20S-R35E
Lea County, New Mexico

Dear Mr. Nutter:

In response to a letter from your office dated June 23, 1982, in which Mr. Joe Ramey, due to a low ratio on the above-named well, denied our request for an exception to Rule 107(d).

In order for the well to unload and cleanup, permission was granted from the Energy and Minerals Department in Hobbs to connect subject well for testing purpose only. Connection was made to Llano, Inc. on September 28, 1982 and shut-in again on September 30, 1982.

Please reconsider our request for Rule 107(d) Exception based on the test figures submitted on Form C-116 enclosed.

If you have any further questions, please contact this office.

Very truly yours,

HNG OIL COMPANY

Betty Gildon
Regulatory Analyst

bg

cc: Mr. Joe D. Ramey
Hobbs OCD

enclosures

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-85

Operator HNG OIL COMPANY		Pool West Osudo Morrow				County Lea										
Address P. O. Box 2267, Midland, Texas 79702						TYPE OF TEST - (X)		Scheduled <input type="checkbox"/>		Completion <input checked="" type="checkbox"/>				Special <input type="checkbox"/>		
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU.FT./BBL
		U	S	T	R							WATER BBLs.	GRAV. OIL	OIL BBLs.	GAS M.C.F.	
Sims 35 State	2 -	J	35	20S	35E	9-30-82	SI	13/64"	2700	0	24	0	39.0	20	1000	50,000

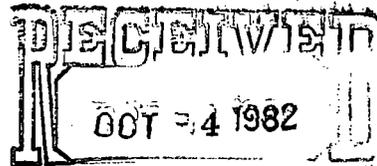
No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.



OIL CONSERVATION COMMISSION
SANTA FE

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Betty Giddon
Betty Giddon (Signature)
Regulatory Analyst

(Title)
September 30, 1982

(Date)