

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

August 29, 1972

W & H Production-Drilling, Inc.
Route 2
5000 W. Industrial
Midland, Texas 79701

Attention: Mr. J. T. Berry

Administrative Order No. TX-33

Gentlemen:

Reference is made to your application, dated August 21, 1972, for an exception to the provisions of Commission Rule 107(d) to permit the production of gas from the upper Morrow formation to be produced through the casing-tubing annulus of certain of Black River Corporation's wells in the Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico.

Pursuant to the authority vested in me by Rule 107(d) 4 of the Commission Rules and Regulations, Black River Corporation is hereby authorized to produce Upper Morrow gas through the annulus of its Cities 3 Federal Wells Nos. 1 and 2 located in Units F and G, respectively, of Section 3, and its BR-Federal Well No. 1 located in Unit H of Section 4, all in Township 26 South, Range 24 East, Washington Ranch Morrow gas Pool, Eddy County, New Mexico. Provided however, that this authority may be rescinded at any time that it appears that liquids or any other production problem associated with annular flow may be present resulting in inefficient production of the subject wells.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/dr

cc: Oil Conservation Commission - Artesia
U. S. Geological Survey - Artesia
Oil & Gas Engineering Committee - Hobbs

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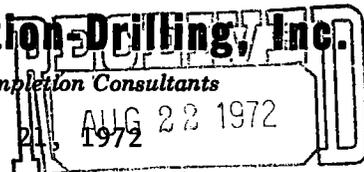
AREA CODE 915
694-6608
563-1343



W & H Production Drilling, Inc.

Drilling and Completion Consultants

August 21, 1972



ROUTE 2
5000 W. INDUSTRIAL
MIDLAND, TEXAS
79701

New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico 87501

Attention: Mr. George Hatch

Re: Black River Corporation's
(a) Cities 3 Federal No. 1
Unit F, Sec. 3, T26S, R24E
(b) Cities 3 Federal No. 2
Unit G, Sec. 3, T26S, R24E
(c) BR-Federal 4 No. 1
Unit H, Sec. 4, T26S, R24E
Eddy County, New Mexico

Dear Sir:

Black River Corporation, in each of the above referenced wells, has separated the Morrow formation completion with a packer in an effort to have better control over possible future water encroachment. This was done with one tubing string and, as a result, the upper Morrow zone is to be produced thru the annulus and the lower zone is to be produced thru the tubing in each well.

It is respectfully requested that Administrative Approval be granted for an exception to Rule 107 so that the upper zone in each case may be produced through the annulus.

Yours very truly,

J. T. Berry, Agent for
Black River Corporation

JTB:lv

cc: Black River Corporation
Midland, Texas