STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

January 30, 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

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

Attention: Betty Gildon

Administrative Order TX-147

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 10,207 feet in the following well:

Well Name and Number: Target 23 State Well No. 1

Location: Unit E, Sec. 23, T-24-S, R-27-E, NMPM,
Eddy County, New Mexico

Remarks: Casing perforations from 11,354' to 11,502'.

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

Very truly yours,

R. L. STAMETS
Division Director

JDR/MES/h

cc: Oil Conservation Division - Artesia

pVEV2005037981

hng Oil Company
P. O. BOX 2267. MIDLAND. TEXAS 79702 (915) 683-4871

January 23, 1985

Oil Conservation Division
P. O. Box 2088
State Land Office Bldg.
Santa Fe, NM 87501

Attn: Mr. Joe D. Ramey
Division Director

In Re: Target 23 State, Well No. 1
LG-6797
Unit E, 2310' FNL & 990' FWL
Section 23, T24S, R27E
Eddy County, NM

Dear Mr. Ramey:

Tubing for the above-named well has been set at 10,207 feet, and casing perforated from 11,354 to 11,502 feet.

This office requests administrative exception to Rule 107d.

Very truly yours,

HNG OIL COMPANY

Betty Gildon

Betty Gildon
Regulatory Analyst

bg

enclosures

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

January 23, 1985

Oil Conservation Division
P. O. Box 2088
State Land Office Bldg.
Santa Fe, New Mexico 87501

Attn: Mr. Joe D. Ramey
Division Director

Re: Target 23 State, Well No. 1
Sec. 23, T24S, R27E
Eddy County, NM

Dear Mr. Ramey:

There are several reasons why we feel that completions utilizing a TIW Polish Bore Receptable or Insert Seal Assembly is the most advantageous method to complete a well.

1. The inside diameter of the seal assembly is the same as the diameter of the tubing. Therefore, there is no restriction that would reduce the size of wireline tools that could be run in the hole.

2. The Polish Bore Receptacle has a full bore opening to the liner below it. This allows us to run bridge plugs, retainers, or bits into the liner if necessary.

3. The seal assembly - PBR hook-up allows for tubing movement while treating the well. It will withstand higher treating pressures during stimulation than would be possible with most other production packers.

4. In most of the wells drilled in this area there are several zones of interest. By having the seal assembly stung into the PBR, the lowest zone can be tested and if non-productive, squeezed. The next zone of interest can then be perforated, acidized and tested. All this can be accomplished without pulling the tubing. This can save a considerable amount of time and money.

The Polish Bore Receptacle is run on the top of the liner. The Insert Seal Assembly sets in the tie back sleeve at the top of the liner.

We feel that this Packer system not only saves us a considerable amount of time and money, but also is the most reliable Packer system available. Of the several hundred wells in which HNG Oil Company has utilized this system over the past years, we have had very few failures. If you have any questions, please feel free to give me a call.

Very truly yours,

George M. Hover

George M. Hover
Petroleum Engineer III

GMH/bg

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OPERATOR		

Form C-105
Revised 11-1-58

NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5a. Indicate Type of Lease: State [X] Fee [ ]

5. State Oil & Gas Lease No.: LG-6797

1a. TYPE OF WELL

b. TYPE OF COMPLETION: OIL WELL [ ] GAS WELL [X] DRY [ ] OTHER

NEW WELL [X] WORK OVER [ ] DEEPEN [ ] PLUG BACK [ ] DIFF. RESVR. [ ] OTHER

7. Unit Agreement Name:

8. Farm or Lease Name: Target 23 State

2. Name of Operator: HNG OIL COMPANY

9. Well No.: 1

3. Address of Operator: P. O. Box 2267, Midland, Texas 79702

10. Field and Pool, or Wildcat: Wildcat /Atoka/

4. Location of Well

UNIT LETTER E LOCATED 2310 FEET FROM THE north LINE AND 990 FEET FROM THE west LINE OF SEC. 23 TWP. 24S RGE. 27E NMPM

12. County: Eddy

15. Date Spudded	16. Date T.D. Reached	17. Date Compl. (Ready to Prod.)	18. Elevations (DF, RKB, RT, GR, etc.)	19. Elev. Cashinghead
11-14-84	1-9-85	1-16-85	3212.5' GR	3212'

20. Total Depth	21. Plug Back T.D.	22. If Multiple Compl., How Many	23. Intervals Drilled By	Rotary Tools	Cable Tools
12,700'	11,640'		→	X	

24. Producing Interval(s), of this completion — Top, Bottom, Name: 11,354 - 11,360 (Strawn) and 11,488 - 11,502 (Atoka)

25. Was Directional Survey Made: No

26. Type Electric and Other Logs Run: BHC Sonic, Comp. Dual Laterolog w/Dual Ind., Comp. Neutron-Litho Density

27. Was Well Cored: No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8"	54.5#	590	17-1/2"	300 HLW, 220 Cl C & 150	
				50/50 cal seal	Circulated
9-5/8"	36#	2290'	12-1/4"	1200 HLW & 400 Cl C	Circulated
7"	23#	10500'	8-1/2"	800 HLW & 525 Cl H	-

29. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN
5-1/2"	10,201'	11,711'	185 Cl H	-

30. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2-3/8"	10,207'	ISA 10,207'

31. Perforation Record (Interval, size and number)

11,354 - 11,360 (.29" 12)
11,488 - 11,502 (.29" 15)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
11354-11360	6000 gals 7-1/2% "Morrow" FlowB
11488-11502	3000 gals 7-1/2% "Morrow" FlowB

33. PRODUCTION

Date First Production	Production Method (Flowing, gas lift, pumping — Size and type pump)	Well Status (Prod. or Shut-in)
1-16-85	Flowing	Shut-in

Date of Test	Hours Tested	Choke Size	Prod'n. For Test Period →	Oil — Bbl.	Gas — MCF	Water — Bbl.	Gas — Oil Ratio
1-17-85	24	9/64"		0	1800	0	0

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate →	Oil — Bbl.	Gas — MCF	Water — Bbl.	Oil Gravity — API (Corr.)
3500	Sealed					-

34. Disposition of Gas (Sold, used for fuel, vented, etc.): Vented

Test Witnessed By:

35. List of Attachments: Logs, Inclination report

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED Betty Gildon (Betty Gildon) TITLE Regulatory Analyst DATE 1/23/85

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico				Northwestern New Mexico	
T. Anhy	Rustler 660	T. Cherry Canyon	3104	T. Ojo Alamo	T. Penn. "B"
T. Salt		T. Strawn	11282	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	Ramsey 2382	T. Atoka	Shale 11440	T. Pictured Cliffs	T. Penn. "D"
T. Yates		T. Miss	Atoka Lime 11622	T. Cliff House	T. Leadville
T. 7 Rivers	Leonard 5775	T. Devonian	Morrow Lime 12024	T. Menefee	T. Madison
T. Queen		T. Silurian	Morrow Clastics 12222	T. Point Lookout	T. Elbert
T. Grayburg		T. Montoya	Lime Marker 12306	T. Mancos	T. McCracken
T. San Andres		T. Simpson	B/L Morrow Sh 12644	T. Gallup	T. Ignacio Qtzte
T. Glorieta		T. McKee		Base Greenhorn	T. Granite
T. Paddock		T. Ellenburger		T. Dakota	T.
T. Blinebry		T. Gr. Wash		T. Morrison	T.
T. Tubb		T. Granite		T. Todilto	T.
T. Drinkard		T. Delaware Sand	Mr. Grp. 2325	T. Entrada	T.
T. Abo	"T" Mrkr 7700	T. Bone Springs	Lime 5832	T. Wingate	T.
T. Wolfcamp	9122	T. 1st B.S. Sand	6896	T. Chinle	T.
T. Penn.		T. 2nd B.S. Sand	7400	T. Permian	T.
T Cisco (Bough C)		T. 3rd B.S. Sand	8746	T. Penn. "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from Strawn 11354 to 11360 No. 4, from ..... to .....

No. 2, from Atoka 11488 to 11502 No. 5, from ..... to .....

No. 3, from ..... to ..... No. 6, from ..... to .....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from None to ..... feet. .....

No. 2, from ..... to ..... feet. .....

No. 3, from ..... to ..... feet. .....

No. 4, from ..... to ..... feet. .....

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	1036	1036	Redbeds				
1036	2909	1873	Anhy., salt				
2909	5815	2906	sand, shale				
5815	9605	3790	sand, lime, shale				
9605	10936	1331	shale, lime				
10936	11039	103	sand, lime, shale				
11039	12099	1060	shale, lime				
12099	12700	601	shale, lime, chert, sand				