STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

50 YEARS
1935 - 1985

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

June 16, 1986

HNG Oil Co.
P. O. Box 2267
Midland, Texas 79701

Attention: Betty Gildon

Administrative Order TX-162

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 10,184 feet in the following well:

Well Name and Number: Gulf 5 Federal Well No. 1

Location: Unit H, Sec. 5, T-25-S, R-29-E, NMPM,
Eddy County, New Mexico

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

RLS/RJ/dr

cc: Oil Conservation Division - Artesia

pVEV2005134638

hng
Oil Company

P. O. BOX 2267, MIDLAND, TEXAS 79702 (915) 686-3600

May 23, 1986

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

Attn: Mr. R. L. Stamets
Division Director

In Re: Gulf 5 Federal #1
2310' FNL & 660' FEL of Sec. 5, T25S, R29E
Eddy County, NM

Dear Mr. Stamets:

Tubing for the above-named well has been set at 10,184 feet, and casing perforated from 12,420 to 12,429 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) 686-3600

May 23, 1986

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

Attn: Mr. R. L. Stamets
Division Director

Re: Gulf 5 Federal #1

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

Form 3160-4
(November 1983)
(formerly 9-330)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE* (See other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.: NM 15302

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: Gulf 5 Federal

9. WELL NO.: 1

10. FIELD AND POOL, OR WILDCAT: Wildcat (Atoka-Penn)

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA: Sec. 5, T25S, R29E

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other

b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ Other

2. NAME OF OPERATOR: HNG OIL COMPANY

3. ADDRESS OF OPERATOR: P. O. Box 2267, Midland, Texas 79702

4. LOCATION OF WELL (*Report location clearly and in accordance with any State requirements*)*
At surface: 2310' FNL & 660' FEL
At top prod. interval reported below: See attached Directional Survey
At total depth: See attached Directional Survey

14. PERMIT NO.	DATE ISSUED	12. COUNTY OR PARISH	13. STATE
API# 30 015 25312	Unknown	Eddy	NM

15. DATE SPUDDED	16. DATE T.D. REACHED	17. DATE COMPL. (*Ready to prod.*)	18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*	19. ELEV. CASINGHEAD
6-25-85	5-11-86	5-19-86	2925.5' GR	2925.5'

20. TOTAL DEPTH, MD & TVD	21. PLUG, BACK T.D., MD & TVD	22. IF MULTIPLE COMPL., HOW MANY*	23. INTERVALS DRILLED BY	ROTARY TOOLS	CABLE TOOLS
12,650	-		→	X	

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*: 12,420' to 12,429' (Atoka-Penn)

25. WAS DIRECTIONAL SURVEY MADE: Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN: Comp. Neutron Form Dens., Dual Induction

27. WAS WELL CORED: No

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
16"	65#	623'		450 HLC & 250 C1 C	Circulated
10-3/4"	40.5# & 45.5#	2650'	14-3/4"	1175 HLC & 250 C1 C	Circulated
7-5/8"	26#	10500'	9-1/2"	600 HLC & 550 C1 H	-

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)
4-1/2"	10,184'	12,650'	425 C1 H	-

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	10,184	PBR 10,184

31. PERFORATION RECORD (*Interval, size and number*): 12420 - 12429 (.39" 10)

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
12420-12429	2500 gals Morflo BC Acid

33.* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (*Flowing, gas lift, pumping—size and type of pump*)	WELL STATUS (*Producing or shut-in*)
5/19/86	Flowing	Shut-in

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD →	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
5/20/86	24	13/64"		0	1581	16	0

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE →	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
1500#	Sealed					-

34. DISPOSITION OF GAS (*Sold, used for fuel, vented, etc.*): Vented

TEST WITNESSED BY:

35. LIST OF ATTACHMENTS: Logs, Directional Survey

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Betty Gildon TITLE Regulatory Analyst DATE 5/22/86

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
	0	625	Surface rock and redbeds
	625	1675	Salt
	1675	1995	Salt & Lime
	1995	2650	Lime
	2650	3000	Salt & Anhydrite
	3000	3679	Anhy
	3679	6735	Sand, Shale
	6735	10060	Shale, Lime, Sand
	10060	11233	Shale, Lime
	11233	11317	Lime
	11317	12246	Shale, Lime
	12246	12405	Shale, Sand, Lime
	12405	12538	Shale, Lime

38. GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
Delaware Sand	2967	
Cherry Canyon Mrkr	3923	
Bone Springs Lime	6632	
1st BS Sand	7543	
3rd BS Sand	9406	
Wolfcamp	9810	
Strawn Lime	12200	
Atoka	12312	
"A-3"	12348	
"A-5"	12418	
Atoka Bank	12438	
Atoka Carbonate	12478	