STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

September 29, 1995

Enron Oil & Gas Company
P. O. Box 2267
Midland, Texas 79702

Attention: Betty Gildon

Administrative Order TX-230

Dear Ms. Gildon:

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 make a tubingless completion in the following well:

Well Name and Number: Diamond 18 Federal Well No. 1

Location: Section 18, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico

Remarks: Production tubing will be required when this well ceases to flow.

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

Sincerely,

William J. LeMay
Director

WJL/RJ/kv

cc: Oil Conservation Division - Hobbs

PVEV2005537124

ENRON
Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

September 12, 1995

Mr. William J. LeMay, Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Diamond 18 Federal No. 1
Sec 18, T25S, R34E
Red Hills Field
Lea County, New Mexico

Dear Mr. LeMay:

Enron Oil & Gas respectfully requests your approval to complete and produce the above-referenced well from the Bone Spring formation (perforations 12260 -12310) without the use of production tubing . The referenced well contains the following tubulars:

CASING	GRADE	DEPTH	TOP OF CEMENT
11-3/4"	H-40	676	Circulated
8-5/8"	K-55 & J-55	4989	Circulated
5-1/2"	P-110 & CF95	12514	4900

The well was fracture treated via the 5-1/2" production casing and has been allowed to flowback through that casing to achieve faster cleanup and to minimize the risk of formation damage. Our plans are to install 2-7/8" production tubing when the well ceases to flow, which should occur within the first year or two of production.

We believe this "tubingless" completion technique is completely safe and effective for the following reasons:

- The well is in a known producing field
- No corrosive or pressure problems are know to exist
- The well is a single completion
- The 5-1/2" production string has been cemented into the base of the 8-5/8" casing
- The 5-1/2" is very high strength casing
- The stabilized after-frac flowing tubing pressures are low (less than 1,000 psig)
- The technique lowers the cost of the completion, thereby improving the economics of the project

Thank you for your consideration of this request. If you need additional information, please contact me.

Sincerely,

Betty A. Gildon

Regulatory Analyst

cc: NMOCD-HOBBS