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

April 9, 1996

Enron Oil & Gas Company
P. O. Box 2267
Midland, TX 79702
Attention: Betty Gildon

Administrative Order TX-240

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: Hallwood 1 Federal Well No. 7

Location: Section 1, Township 25 South, Range 33 East, NMPM, Lea County, New Mexico

Remarks: When well ceases to flow production tubing will be required.

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

PVZV2005630730

ENRON
Oil & Gas Company

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

February 27, 1996

Mr. William J. LeMay, Director
New Mexico Oil Conservation Commission
2040 S. Pacheco St
Santa Fe, New Mexico 87505-5472

In Re: Hallwood 1 Federal No. 7
Sec 1, T25S, R33E
Lea County, New Mexico

Dear Mr. LeMay:

Enron Oil & Gas Company respectfully requests your approval to complete and produce the above-referenced well from the Bone Spring formation (perforations 12278 - 12301) without the use of production tubing. The referenced well contains the following tubulars:

CASING	GRADE	DEPTH	TOP OF CEMENT
11-3/4	H-40	659	Circulated
8-5/8	HCK-55 & CF-95	4869	Circulated
5-1/2	CF-95 & P-110	12497	4600'

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 known 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" csg
The 5-1/2" is very high strength casing
The stabilized after-frac flowing tubing pressures are low (less than 1000 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 Gildon
Regulatory Analyst

cc: NMOCD-Hobbs