



STATE OF NEW MEXICO
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

Date: Feb 11, 1991

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

RE: Proposed MC _____
Proposed NSL _____
Proposed WFX _____
Proposed NSP _____

Proposed DHC _____
Proposed SWD _____
Proposed PMX _____
Proposed DD _____

Tubingless Comp.

Gentlemen:

I have examined the application received on Dec. 13, 1990
for the Merrin Oil and Gas Corp. EX. 71 # 311
OPERATOR LEASE & WELL NO.

F-324N-6W1 and my recommendations are as follows:
UL-S-T-R

C. J. J. J.

Yours truly,

[Signature]

MERRION OIL & GAS CORPORATION

610 REILLY AVE. • P. O. Box 840

FARMINGTON, NEW MEXICO 87499

RECEIVED

DEC 13 1990

OIL CON. DIV.
DIST. 3

December 12, 1990

Mr. David Catanach
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87503

RE: Request for Administrative Approval on Tubingless Completions

Dear Mr. Catanach:

We request administrative approval for tubingless completions in the following four wells:

WELLLOCATION

Canyon Largo Unit #302	(J) Section 3, T24N, R6W
Canyon Largo Unit #304	(C) Section 11, T24N, R6W
Canyon Largo Unit #311	(F) Section 3, T24N, R6W
Salazar G 34-1	(K) Section 34, T25N, R6W

These wells have all been producing with piston lift for some time. We have recently pulled the tubing and installed a Concoyle "casing piston" in an effort to increase the production rate from the wells. We received verbal approval from the NMOCD in Aztec to install the casing pistons strictly on a test basis with the understanding that we would eventually need administrative approval from Santa Fe.

A diagram of the casing piston is attached. The main advantages of the casing piston over a tubing piston are as follows:

- a) The casing piston removes all the fluid off of the perforations when it trips as opposed to just the fluid in the tubing. That decreases the back pressure on the formation and increases the flow rate.
- b) There is no "annular back pressure" on the formation when the piston is up, again increasing the flow rate.
- c) Because the casing piston removes more fluid per run than a tubing piston, fewer runs are required, and thus, the wells are producing down the line for more hours of the day than before.

Mr. David Catanach
NMOCD
Page Two
December 12, 1990

We are excited about the potential of this new tool and have numerous other applications if the test results are positive. Because the wells will produce at higher rates, they will ultimately recover more reserves and thus, protect correlative rights.

Please call me at (505) 327-9801 if you have any questions.

Sincerely,



George F. Sharpe
Engineer

Attachments

CC: ✓NMOCD-Aztec, NM
Warren Blakemore-Concoyle
Steve Dunn
Well Files

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

February 19, 1991

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Merrion Oil and Gas Corporation
P.O. Box 840
Farmington, NM 87499

Attention: George Sharpe

RECEIVED

FEB 22 1991

**OIL CON. DIV.
DIST. 3**

Administrative Order TX-197

Dear Mr. Sharpe:

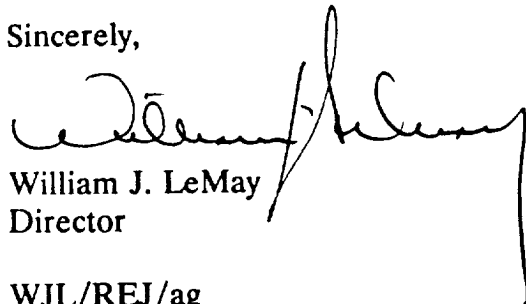
Reference is made to your request for an exception to the tubing setting requirements as contained in Division Rule 107(d)(3) for the below-named wells.

Pursuant to the authority granted me by Rule 107(d)(4), you are hereby authorized for tubingless completions in the following wells:

<i>Well Name & Number</i>	<i>Unit</i>	<i>Location</i>
Canyon Largo Unit No. 302	J	Sec. 3, T24N, R6W
Canyon Largo Unit No. 304	C	Sec. 11, T24N, R6W
Canyon Largo Unit No. 311	F	Sec. 3, T24N, R6W
Salazar G 34-1	K	Sec. 34, T25N, R6W

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/REJ/ag

cc: Oil Conservation Division - Aztec