NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC NM 87410
(505) 334-6178 FAX: (505) 334-6170
http://emnrd.state.nm.us/ocd/District III/3district.htm

GARY E. JOHNSON
Governor

Jennifer A. Salisbury
Cabinet Secretary

August 11, 1999

Ms Yolanda Perez
Conoco, Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500

Re: Dustin #1, J-06-29N-12W, API # 30-045-08708
Application For Tubingless Exception To Rule 107

Dear Ms Perez:

Your request to pull tubing in the referenced well and install a casing plunger is hereby granted. This action may produce gas and lift oil and water more efficiently that could result in the recovery of additional reserves. If the plunger is removed after installation, tubing must be re-run before the well is allowed to produce.

If you have any questions, please contact this office.

Yours truly,

Ernie Busch

Ernie Busch
District Geologist/Deputy O&G Inspector

EB/mk

Xc: Roy Johnson-Santa Fe
Well File

DUSTIN#1.LET

CONOCO INC
KAY MADDOX
10 DESTA DR STE 100W
MIDLAND TX 79705

June 21, 1999

Mr. Ernie Busch
New Mexico Oil Conservation Division – Aztec District Office
1000 Rio Brazos Road
Aztec, New Mexico 87410

RE: **Application for Tubingless Exception to Rule 107**

Redfern #5
API # 30-045-07554
Section 10, T-28-N, R-11-W, N

Dustin #1
API 30-045-08708
Section 6, T-29-N, R-12-W, J

FC State COM # 24
API # 30-045-28177
Section 36, T-30-N, R-12-W, M

Dear Mr. Busch,

An exception to Rule 107, requiring the above listed wells to be produced with tubing, is requested. It is believed that producing the well tubingless will increase the producing rate efficiency and maximize recovery from this well. The purpose for removing the tubing from this well is to allow the use of the new innovative casing plunger that allows continuos gas flow while at the same time automatically lifting produced oil and water volumes.

Whereas requests and application for tubingless completions have typically been for newer, high rate gas wells in an effort to reduce the flow restrictions of tubing, these three wells are marginal low rate producers whose production has been restricted by fluid loading. Due to overloading and downtime the referenced wells are not producing at their maximum ability.

The discovery of the new innovative casing plunger seems to offer a more efficient producing solution. Conoco, Inc. was granted permission to use this tool on the Ohio #1 By Order TX 278 dated 12/15/97. This new innovative approach (to the San Juan) for increasing the producing efficiency and ultimate recovery of mature depleted gas wells has been extremely successful as evidenced in the Ohio #1.

To configure the wellbores for use with the casing plungers the production tubing will be removed and the casing pressure tested for leaks and drift. A casing scraper will be used to clean out the interior casing surface and then re-pressure tested.
A downhole collar stop and casing plunger catcher will be installed in the first collar above the top perforation (refer to wellbore schematic). At the surface, the wellhead will be configured with a plunger catcher and a bypass with an automated controller. The plunger is automatically dropped when a fluid loading problem is detected by the surface controller while allowing continuous gas flow through its internal bypass valve.

Conoco, Inc. requests that they be granted an exception to Rule 107 for the above referenced wells to continue this tubingless operation to fully optimize and economically produce the three mature and depleted Dakota gas wells. If there are additional questions regarding this application please call me at (915) 686-5798.

Sincerely yours,

Kay Maddox

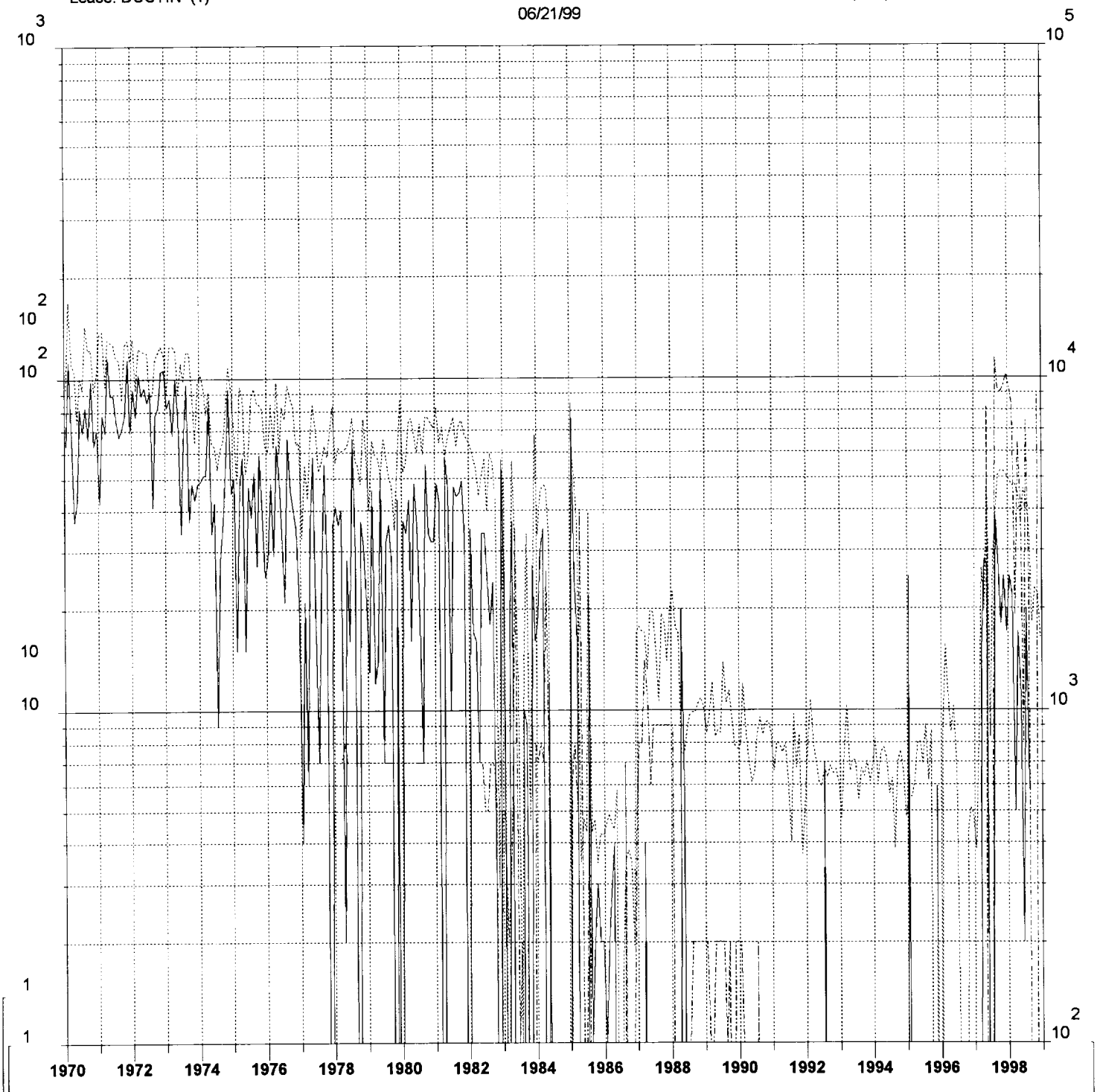
Kay Maddox
Regulatory Agent – Conoco, Inc.

Dwights

Lease: DUSTIN (1)

Retrieval Code: 251,045,29N12W06K00DK

06/21/99



Oil (bbl/mo)

Water (bbl/mo)

Gas (mcf/mo)

County: SAN JUAN, NM

F.P. Date: 04/62

Field: BASIN (DAKOTA) DK

Oil Cum: 24.79 mbbl

Reservoir: DAKOTA

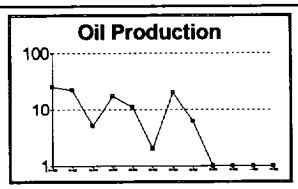
Gas Cum: 2939 mmcf

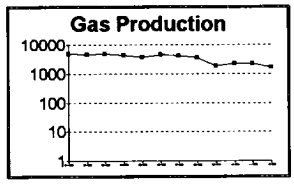
Operator: CONOCO INC

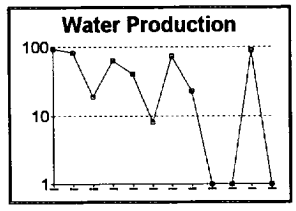
Location: 6K 29N 12W

Lease:	DUSTIN	Well #:	1	FP Date:	62-04
Field:	BASIN (DAKOTA) DK	Location:	6K 29N 12W	LP Date:	98-12
Operator:	CONOCO INC	Liquid Cum:	24,785 bbls	Liq Since:	FPDATE
RCI #:	251,045,29N12W06K00DK	Gas Cum:	2,939,125 mcf	Gas Since:	FPDATE
API #:	30-045-08708-00	Status:	ACT GAS		

DATE	OIL, BBLs	GAS, MCF	WATER, BBLs	WELLS
01/1998	25	4,894	94	1
02/1998	22	4,697	83	1
03/1998	5	4,781	19	1
04/1998	17	4,468	64	1
05/1998	11	3,684	41	1
06/1998	2	4,611	8	1
07/1998	20	4,272	75	1
08/1998	6	3,527	23	1
09/1998	0	1,817	0	1
10/1998	0	2,293	0	1
11/1998	0	2,218	90	1
12/1998	0	1,635	0	1
Total	108	42,897	497	







DUSTIN 1 (GMH (SS) 2-4-97)

DUSTIN 1 (GMH (SS) 2-4-97)			
API Code	300450870800	Field Code	676383130
TD	6130.0 ftKB	Basin	SAN JUAN BASIN
PBTD	6104.0 ftKB	Basin Code	580
State	New Mexico	Permit	01-Mar-61
County	SAN JUAN	Spud	27-Feb-61
District	San Juan O.U.	Finish Drl	
Permit No.		Completion	27-Mar-61
TD Measured	6130 ftKB	Abandon	
Reservoir	Dakota		
Field	BASIN DK		

Event History

Date	Event	Description
11-Feb-97	Tub Run	1.9960 in Plunger, ID: 0.0000in
03-Feb-97	Tub Run	2.3740 in Tubing, Jnts: 190, ID: 1.9961in
28-Jan-97	Tub Pull	Tubing
28-Jan-97	Comp/WO	Test Casing, Change Tubing, Change Prod. Assembly, LD 191 jts 1 1/4" tbg. Spot 500 G HCl @ 6017'. Test csg above 5800' to 500#, OK. RIH w/ 2 3/8" tbg to 5964'.
27-Mar-61	Stim/Treat	Fracture, 5950.0 - 6000.0ftKB, Fracture, 5886.0 - 5898.0ftKB
27-Mar-61	Perf	5990.0 - 6000.0ftKB, 2.0/ft, 5950.0 - 5982.0ftKB, 2.0/ft, 5886.0 - 5898.0ftKB, 2.0/ft
21-Mar-61	Stim/Treat	Fracture, 6038.0 - 6057.0ftKB
21-Mar-61	Perf	6038.0 - 6057.0ftKB, 2.0/ft
20-Mar-61	Other Run	Cement Plug, 6104.0 - 6130.0ftKB, OD: 3.9500in
16-Mar-61	Log	Res, 4050.0 - 6138.0ftKB, Welex, IEL, 208.0 - 6138.0ftKB, Welex
01-Mar-61	Tub Run	1.6614 in Tubing, ID: 1.3780in
01-Mar-61	Cas Cmnt	Surface Casing, Top Found At 0.0ftKB, With 150sx, Production Casing, Top Found At 0.0ftKB, With 250sx
01-Mar-61	Cas Run	4.5000 in Casing, ID: 4.0000in, 8.6250 in Surface Casing, ID: 0.0000in

Events Without Dates

Event	Description
Note	Initial Potential: 2242 MCFGPD 3/4 in ch--tbg SITP 2150 lb/10 days SICP 2154 lb/10 days, Initial Potential: CAOF 3822 MCF FP; 187 lb FCP 1488 lb
Bore Hole	12.2500in, Depth 205.0ftKB, 7.8750in, Depth 6130.0ftKB

DUSTIN 1 (GMH (SS) 2-4-97)