

ENRON

Oil & Gas Company

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

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600
March 6, 1995

Re: Diamond 18 Federal No. 3
Sec 18, T25S. R34E
Red Hills Field
Lea County, New Mexico

Dear Mr. Sexton:

Enron Oil & Gas respectfully requests your approval to complete and produce the above-referenced well from the Bone Spring formation (perforations 12230 to 12280) without the use of production tubing. The referenced well contains the following tubulars:

<u>CASING</u>	<u>GRADE</u>	<u>DEPTH</u>	<u>TOP OF CEMENT</u>
11-3/4"	H-40	674	Circulated
8-5/8"	S-80 & K-55	5035	Circulated
5-1/2"	S-95& P110	12547	5350

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.

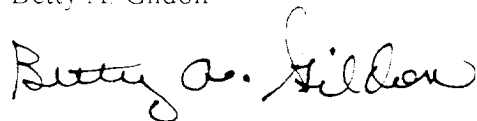
We believe this "tubingless" completion technique is completely safe and effective for the following reasons:

- 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



cc: NMOCD-HOBBS
mray rli0115 doc