

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

February 26, 1974

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Texas International Petroleum Corp.
1720 Wilco Building
Midland, Texas 79701

Attention: Mr. K. C. Nelson

Administrative Order TX-42

Gentlemen:

Reference is made to your letter dated January 25, 1974, wherein you request an exception to Rule 107 (d) 3 of the Commission Rules and Regulations for your Allied State Well No. 1, located in Section 10, Township 23 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, to permit setting the tubing at a depth of 9689 feet, some 558 feet above the uppermost perforation.

Texas International is hereby granted such exception, provided however that this authority may be rescinded at any time that it appears that liquids or other production problems may indicate that such exception may not be in the best interest of conservation or may otherwise result in waste.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/og

cc: Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico

Oil & Gas Engineering Committee
Box 127
Hobbs, New Mexico



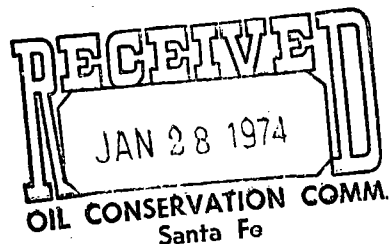
TEXAS INTERNATIONAL PETROLEUM CORPORATION

1720 WILCO BUILDING

MIDLAND, TEXAS 79701

PHONE 915-682-9741

January 25, 1974



Mr. A. L. Porter, Jr.
Secretary - Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Texas International Petroleum Corporation
Allied State #1
Section 10, T23S-R26E
Eddy County, New Mexico

Dear Mr. Porter:

Texas International Petroleum Corporation, as operator, requests that an administrative exception be granted to Rule 107.d.3 for the above mentioned well. This well is completed in the Canyon Lime at a depth of 10247-10277 with tubing and packer set at 9689. The purpose of setting the tubing and packer at this depth was to avoid leaving acid, which was spotted from 9750-10280 before perforating, in the tubing casing annulus.

The condensate yield of this gas is approximately 3 bbl./MMcf. Therefore, it is very doubtful that any condensate is not being lifted up the wellbore. If the packer would have to be lowered, the Canyon would need to be killed with 11 ppg mud. As the zone can easily be damaged, this could result in substantial loss of gas and condensate reserves.

Your consideration of this exception would be most appreciated.

Yours truly,

Kenneth C. Nelson

Kenneth C. Nelson

KCN:tb

CC: Mr. W. A. Gressett
Supervisor and Oil & Gas Inspector
New Mexico Oil Conservation Commission
Drawer DD
Artesia, New Mexico 88210

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