

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

May 14, 1974

Coquina Oil Corporation
Building of the Southwest
Midland, Texas 79701

Attention: Mr. J. T. Berry

Administrative Order TX-44

Gentlemen:

Reference is made to your letter of May 10, 1974, requesting a tubing exception for your J. M. State Well No. 1, located in Unit K, Section 11, Township 21 South, Range 27 East, Burton Flats Field, Eddy County, New Mexico.

It is our understanding that the well is dually completed to produce from the Strawn formation at 10,376'-85' and from the Morrow formation at 11,418'-455'; and that a 4 1/2-inch liner extends from 9696' to total depth, making it impossible to set the Strawn tubing to within 250 feet of the Strawn perforations as required by Commission Rule 107(d)3.

Pursuant to the authority granted me by Commission Rule 107(d)4, Coquina Oil Corporation is hereby granted an exception to Rule 107(d)3 and is authorized to set the Strawn tubing in the subject well at approximately 9645 feet.

In the event liquids or other production problems appear to be causing waste or reservoir damage this authority may be rescinded.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/dr

cc: Oil Conservation Commission - Artesia
Oil & Gas Engineering Committee - Hobbs

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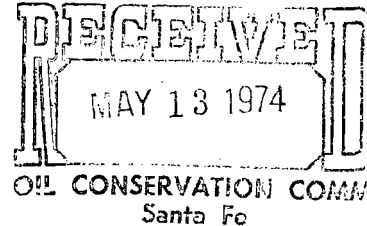


COQUINA OIL CORPORATION

BUILDING OF THE SOUTHWEST
MIDLAND, TEXAS 79701

(AC) 915 683-4661

May 10, 1974



State of New Mexico
Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico 87501

RE: Administrative Approval Request
for Exception to Rule 107 (d)(3)
Coquina Oil Corporation - J. M. State #1
Unit K, Section 11, T21S, R27E
Eddy County, New Mexico

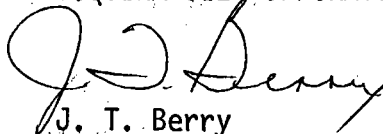
Gentlemen:

During the drilling operation of the subject well, abnormal pressures were encountered in the Wolfcamp formation necessitating the setting of 7 5/8" casing prior to continuing drilling through the Strawn and Morrow formations. The 7 5/8" casing was set at a depth of 9,860 feet. After drilling to a total depth of 11,658 feet, a 4 1/2" liner was run from total depth up to 9,696 feet. We currently have an application in your office requesting approval to dually complete subject well. The Strawn, 10,376-10,385 feet; and the Morrow, 11,418-11,455 feet, will be in the 4 1/2" liner. In order to have a dual packer above the Strawn perforations and two tubing strings, it is necessary to set the dual packer at 9,645 feet. This is in excess of the 250 feet as required by Rule 107 (d)(3) but due to the tubular demands incurred during drilling operation, it is impossible to obtain a dual packer for the 4 1/2" liner. Rather than request a tubing-casing, gas-gas dual we feel a much better arrangement would be an exception to the above referenced rule and the two zones be produced thru two parallel strings of tubing above the dual packer.

For the above reason we respectfully request Administrative approval be granted for Exception to Rule 107 (d)(3) and Coquina's request for dual completion be approved as filed.

Yours Very Truly,

COQUINA OIL CORPORATION


J. T. Berry

JTB:jc

cc: OCG-Artesia