

HONDO DRILLING COMPANY

POST OFFICE BOX ~~NO~~ 2516
MIDLAND, TEXAS 79701

PHONE: (915) 682-9401

September 4, 1974

RECEIVED

SEP - 5 1974

O. C. C.
ARTESIA OFFICE

Mr. Ray Graham, Oil & Gas Supervisor
Commissioner of Public Lands,
P.O. Box 1148
Santa Fe, New Mexico 87501

Dear Sir:

RE: State of New Mexico Lease K-4093
Dated May 19, 1964
Section 17, S/2 NE/4, S/2 SW/4, SE/4
T19S, R29E Eddy County, New Mexico

With reference to previous correspondance concerning operation under paragraph 16 involving the above subject lease, we wish to advise, our well, "Union TX State No. 1 Com. has conducted the following operations since our report of August 12, 1974.

8/13/74 - The Morrow "B" Zone was perforated at selected intervals from 11,144' to 11,149', 11,156' to 11,162', 11,170' to 11,178', and 11,196' to 11,202' with one (1) shot per ft.

8/14/74 - The well was then treated with 5000 gallons of 7-1/2% Morrow Flow acid containing 1000 scf/bbls of Nitrogen and 37 ball sealers. Break-down pressure was 7200 lbs. Psi - Treating pressures, 7200-8000 lbs. @ 6.5 bbls PM. After flowing back acid water and nitrogen for one hour, the well was swabbed for 5 hours before it "kicked-off" and flowed gas and acid water. Gas rate Approx: 200,000 CFPD.

8/15/74 through 8/29/74, The well was tested and flowed on various choke sizes to clean up acid and/or filtrate water. Pressures and flow rates improved daily during this period. As of 8/30/74 gas flow rate had increased to approx: 800,000 CF plus an average of 10.5 bbls of condensate per day. Water had decreased to two bbls.

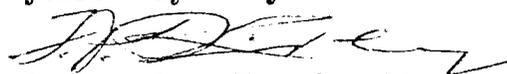
8/30/74 - Ran Bottom Hole Pressure Test Bomb.

9/02/74 - After 68 Hrs, Bottom Hole pressure was 4497 lbs @ 11,080' depth with pressure continuing to build at the rate of 2.5 lbs per hour. Average gas gradient was 10.8 llbs/100 ft. of depth. No fluid in tubing to 11,080'

9/03/74 - Resumed flowing well on 3/4" Choke to stablize. Choke was then set on 24/64" opening.

9/04/74 - After 24 Hrs. Well was flowing gas at a rate of 831,300 CF plus 10.64 bbls of 52.8 gravity condensate and 1.83 bbls of water per day. In view of continued improvement in pressures and flow rate, sand fracturing has been recommended, and is being considered.

yours very truly


T.J. Sivley, Vice President

TJS;sd
cc; OCC-Artesia
Union Oil - Roswell