



12 May, 1978

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State of New Mexico
Energy & Mineral Department
Oil Conservation Division
P. O. Drawer DD
Artesia, New Mexico 88210

O. C. C.
ARTESIA, OFFICE

Attn: W. A. Gressett

Re : C-103, Sundry Notices & Reports on Wells
State "36" #1, Unit L, Section 36,
T-21-S, R-27-E, Eddy County, New Mexico

Gentlemen:

Attached is Form C-103 detailing the remedial work performed on the subject well. This remedial work was made necessary by a packer failure that occurred while a BHP buildup was being run on the Morrow zone immediately prior to conducting a packer leakage test. The failure occurred following 17 hours of build up time on the Morrow and at the time that the pressure differential across the packer reversed. With both zones flowing, the pressure above the packer is estimated to be 800 psi greater than the pressure below the packer. With the Wolfcamp flowing and the Morrow shut in, the pressure below the packer increased to in excess of 2000 psi making the pressure below the packer about 150 psi greater than the pressure above the packer. It was at this point that the failure occurred.

In order to re-isolate the two producing zones, the work as described on the attached Form C-103 was performed and the well was returned to production status. This work was completed with a minimum of trouble and still cost almost \$30,000.

As you are aware from previous correspondence concerning this well (letters dated 28 Oct. 77 & 7 Nov. 77, copies attached) Champlin has had considerable difficulty in restoring Morrow production. Because this is a deep dual gas well, any type of remedial work is quite costly. The total cost of the two workovers in 1977 was over \$148,000.

The reason for the packer failure can only be surmised, but whatever the reason the repair costs are high and naturally Champlin, as a prudent operator, would like to keep these costs to a minimum. The possibility of downhole commingling through an exception ruling was considered and rejected because Champlin feels that downhole commingling would be detrimental to the Morrow zone in particular. In an attempt to find another method that might satisfy the Oil Conservation Division that communication did not exist between the zones in lieu of the packer leakage test, the semi-annual gas analyses were reviewed. It was determined that the non-hydrocarbon components were similar enough in each case to make it very difficult if not impossible to detect communication.

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