Union Oil Company California

500 N. Marienfeld, Midland, Texas 79701 Telephone (915) MU 2-9731

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December 13, 1968

New Mexico Oil Conservation Commission Attention: Mr. R. L. Stamets P. O. Drawer DD Artesia, New Mexico

Dear Sir:

Dark Canyon State Well No. 1-30, Eddy County, New Mexico

This is a report pinpointing the source of the gas leak in the 13-3/8" annulus of Dark Canyon State Well No. 1-30.

An evaluation of probable sources of the gas has indicated it to be from a gas formation located somewhere between 1059' and 2750', which is behind the 9-5/8" casing (see attached schematic). The theory of the gas coming from a communicated wellhead was ruled out after comparing shut-in pressures. The tubing pressure is 1790 psig and that in the 13-3/8" annulus is only 284 psig.

As the leak is very weak, it is believed the surface casing valve could be closed and a periodic observation of the pressure be performed to assure that a hazardous condition has not been created.

If additional information is desired, please advise.

Very truly yours,

G. W. Coombes

W. Coombes District Operations Superintendent RE

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D. C. C. ARTEBIA, OFFICE

GWC:JRA/bMc

Attachment

Midland District