TEXAS INTERNATIONAL PETROLEUM CORPORATION



1720 WILCO BUILDING MIDLAND, TEXAS 79701 PHONE 915-682-9741

January 25, 1974

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C. C. C.

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,

Ken

Kenneth C. Nelson

KCN:tb

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