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SABINE PRODUCTION COMPANY 901 Wall Towers East P.O. Box 3083 Midland, Texas 79702 (915) 683-5607 July 30, 1980

O. C. D. ARTESIA, OFFICE

JUL 31 1980

New Mexico Oil Conservation Commission P. O. Drawer "DD" Artesia, New Mexico 88210 Attention: W. A. Gressett

> Re: Exception to Rule #302 & #1124 Bell-3-State Lease //-3-20-26 South Carlsbad Field Eddy County, New Mexico

Dear Mr. Gressett:

Sabine Production Company respectively requests an exception to Rule 302 (Subsurface pressure tests) and Rule 1124 (Reservoir pressure report) for the Bell-3-State Well #1, South Carlsbad (Morrow) Field, Eddy County, New Mexico.

By way of a brief history, a pressure bomb, sinker bars and an undetermined amount of wireline was lost in the hole in October, 1976. The daily pulling reports do not indicate the amount of wireline lost, but an invoice from Tom Hansen Company had charges for 20,000 feet which might indicate a significant amount of line lost. Bottom hole pressure surveys were run in 1978 and 1979 with no difficulty encountered. A bottom hole pressure bomb was run in July, 1980 to the same depth (10,950') as the previous two years, but as the bomb was being retrieved, it stopped at 9,500 feet. The bomb would move some 20 feet down the hole but would again stop. While attempting to pull the bomb, the line parted, leaving 700 feet of line and the bomb at approximately 9,550 feet.

It is felt that the bomb and line is possibly caught in the old line left in the hole in 1976. Gas production at this time does not appear to be hindered and due to the susceptibility of damage to the Morrow formation, a decision was made not to pull the well at this time, therefore, an exception to Rule 302 and 1124 is requested until the time the well is pulled and the bomb is retrieved.

If you should have any further questions please contact me.

approved 8-11-80 W. a. Dresset

Very truly yours,

SABINE PRODUCTION COMPANY

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A. B. Buron Division Engineer

ABB/top A Subsidiary of SABINE Corporation