

DELTA DRILLING COMPANY

Box 2012 TELEPHONE 214 595-1911

TYLER, TEXAS 75710

January 25, 1978

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D. C. B.
ARTESIA, OFFICE

Mr. William A. Gressett
District Supervisor
New Mexico Oil Conservation Commission
Drawer DD
Artesia, New Mexico 88210

RE: Delta Drilling Company
South Culebra Bluff Unit Well No. 1
Section 23, T23S, R28E
Eddy County, New Mexico

Gentlemen:

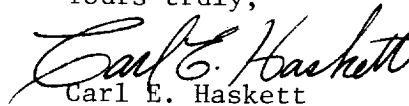
Attached are Forms C-103 and C-104 requesting an allowable and authorization to transport natural gas from the subject well. The gas is to be sold on an emergency basis until the bottom-hole pressure is reduced to a point where killing operations become possible without excessive risk of downhole or surface failures, and excessive danger to personnel. Specifically, your authorization is requested to transport gas from this well for whatever period of time is necessary to obtain a static bottom-hole pressure of 7000 psig, while attempting to maintain a surface flowing pressure of approximately 1000 psig at the wellhead. We estimate the flow rate of gas under this condition to be about 50 MMCF/Day. Exhibits 1 through 16 supporting this request are attached.

Review of the attached data will reveal that the South Culebra Bluff Unit Well No. 1 cannot safely be killed under current conditions of an abnormally high bottom-hole pressure, an easily fractured formation near the shoe of the 9 5/8" casing, and the nominal burst strength of the 9 5/8" casing. Continuing production will cause no damage to exposed formations, will be contained by the current control devices, will be produced and saved through proper surface facilities, and delivered to El Paso Natural Gas Company who have indicated their willingness to absorb the indicated rate of production into their transmission system. This approach will let Delta Drilling Company and its joint operators kill the well at the appropriate time with minimal risk to exposed formations, with safety for personnel, and prevention of waste due to a resumption of flaring as a result of ineffectual kill methods.

Please advise if any further data or explanations are desired. We will be pleased to conform to any reporting schedules you feel necessary under the circumstances. Your early approval of this request will be appreciated.

cc: Mr. Joe D. Ramey, Secretary Director
New Mexico Oil Conservation Comm.
P. O. Box 2088
Santa Fe, New Mexico 87501

Yours truly,



Carl E. Haskett
Mgr. Corporate Engineering
and Research