

DELTA DRILLING COMPANY

Box 2012 TELEPHONE 214 595-1911

TYLER, TEXAS 75710

April 24, 1979

ADDRESS REPLY TO

P. O. Box 3467
Midland, Texas 79702

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JUN 19 1979

O. C. C.
ARTESIA, OFFICE

New Mexico Oil & Gas Commission
Drawer DD
Artesia, New Mexico

Attention: Mr. Bill Grissitt

Re: South Culebra Bluff Unit #3

Dear Bill,

As a follow up to our visit 4/19/79, I submit the following for South Culebra Bluff Unit #3: Form C-104, Form C-105, Inclination Report, Well Profile, and a marked Schlumberger Compensated Neutron-Formation Density log.

Please note that El Paso Natural has been designated as gas gatherer on the C-104. At this time El Paso does not have a low pressure line in the area, but their long range plans could provide a low pressure system if this 1st well proves enough reserves. As we discussed, the gas will be flared from SCB #3. Delta will apply for a rule 306 exception within 60 days.

Also enclosed and marked Exhibit A is an analysis of the fractured intervals as indicated from Schlumberger logs. Six PVT samples were taken from the fractured zones and analyzed by Core Lab. Each zone had similar BHP and some fluid entry.

As shown on the marked log, are comments from Schlumberger which indicate oil and gas entry from each fracture.

It would be very difficult to set casing thru these intervals and be able to perforate into these fractures. It is believed that cement would damage these zones.

The Caliper log shows that the hole has no wash outs or weak spots that could cause down hole problems from an open hole completion. The well was flowed approximately 48 hours during testing and no hole problems were encountered.

The mid-point of the open hole (7172') has a measured BHP of 3091#. This pressure was measured 3/12/79 during production testing. The BHP from the DST taken 2/31/79 during drilling operation was 2985#.

Upon your approval for allowable we will put this well on production.

Yours truly,



J. E. Brusenhan
Operations Manager

JEB:sl

Exhibit
"A"

1 1/4 Doly Co. #3 So. Culebra Bluff 3-1-79
Eddy County, N. Mex.
Major
Fractured Intervals from Log Indicators

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