

Belco

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June 9, 1981

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Joe Ramey
New Mexico Oil Conservation Division
Santa Fe, NM

O. C. R.
ARTIST, CHIEF

RE: James Ranch Unit
#11 E
Sec. 36, T22S, R30E
Eddy County, New Mexico

Dear Mr. Ramey,

Upon receiving a letter from W.A. Gressett we became aware that we are in violation of Division Rule 107 (D), which requires the tubing to be set no more than 250 feet above the top of the pay zone.

We wish to apply for an exception to this rule because of the following reasons.

1. The hole was drilled intentionally deviated. The 5 inch liner was stuck off bottom and cemented in place. After cleaning out this liner a 2 7/8" liner was run to total depth and cemented. The 5 inch liner top was pressure tested and it held. Difficulty was encountered running equipment in and out of this liner top. The possibility exists that to run a packer thru this top the element would be torn up and the packer would not hold.
2. We wish to produce the Atoka at a high rate so it was believed that 2 7/8 inch tubing was necessary. This would reduce the flowing friction for this low pressure reservoir.
3. Additional information:

James Ranch Unit #10	
GOR 4-22-80	121,429
James Ranch Unit #11	
GOR potential	130,555