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H. E. G.
MIDLAND, TEXAS

November 30, 1977

New Mexico Oil Conservation Commission
D. S. Nutter, Chief Engineer
P. O. Box 2638
State Land Office Building
Santa Fe, New Mexico 87501

RE: Exception Rule 107
Tubing Requirements
Sub-Paragraph 3 - Setting Depth
HNG - Grynberg Fed. Com. 11 #1
Eddy County
Sec. 11, TWP - 25S, Rge-28E

Gentlemen:

In the subject completion the casing program utilized a liner arrangement to serve as the production casing string. In conjunction with this, a P.B.R. (polished bore receptacle) and seal assembly was installed at the top of the liner in lieu of a conventional type packer. This arrangement allows us to have a high burst string of intermediate casing in place before drilling into possible high pressure zones. We felt this type of casing program is not only safer, but also will allow more flexibility in plugging back from the Morrow to the Atoka Zone.

Completing this well in this manner resulted in the bottom of the tubing terminating at the top of the liner. Therefore, an exception to Rule 107 is requested.

Yours very truly,

HNG Oil Company

John Roach
John Roach

cc: H. G. Livingston
Well File

Mr. Bill Gressett
N.M.O.C.C.
Artesia, New Mexico

OR/mc