ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION P. O. BOX 2088 Santa Fe, New Mexico 87501

HNG Oil Company
P. O. Box 2267
Midland, Texas 79702

Attention: Betty A. Gildon

Administrative Order TX-83

Gentlemen:

Reference is made to your request for an exception to the tubing setting requirements as contained in Division Rule 107(d)(3) for the below-named well.

Pursuant to the authority granted me by Rule 107(d)(4), you are hereby authorized to set tubing at 10,247 feet in the following well:

LEASE NAME	WELI	L NO. UNIT	S-T-R
Smith 11 Com	<i>:</i>	ı c	11-24S-27E

The Division reserves the right to rescind this authority in the event that waste appears to be resulting therefrom.

very truly yours

JOE D. RAMEY, / Division Director

JDR/DSN/dr

cc: Oil Conservation Division - Artesia
Oil & Gas Engineering Committee - Hobbs



P. O. BOX 2267, MIDLAND, TEXAS 79702 (915) 68

December 14, 1981

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Oil Conservation Commission State of New Mexico P. O. Box 2088 Santa Fe, New Mexico 87501

Attn: Mr. Joe D. Ramey
Secretary Director

In Re: Smith 11 Com., Well No. 1, Unit Letter C, 1980' FWL & 990' FNL, Sec. 11, T24S, R27E, Eddy County, New Mexico

Dear Mr. Ramey:

Please find enclosed copy of a letter to Mr. Dan Nutter dated 12/14/81, requesting an exception to the tubing-setting requirements contained in Division Rule 107(d).

To avoid delay in placing this well on stream, temporary approval of the above-named exception is requested.

Your early attention is appreciated.

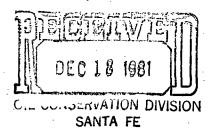
Very truly yours,

HNG OIL COMPANY

Betty A. Gildon Regulatory Clerk

bg.

enclosures





P. O. BOX 2267, MIDLAND, TEXAS 79702 (915) 683-4871

December 14, 1981

Oil Conservation Division State Land Office Bldg. Santa Fe, New Mexico 87501

Attn: Mr. Dan Nutter:

Re: Smith 11 Com., Well No. 1

Unit Letter C, 1980' FWL & 990' FNL,

Dear Mr. Nutter:

Sec. 11, T24S, R27E, Eddy County, NM

There are several reasons why we feel that completions utilizing a TIW Polish Bore Receptacle is the most advantageous method to complete a well.

- (1) The inside diameter of the seal assembly is the same as the diameter of the tubing. Therefore, there is no restriction that would reduce the size of Wireline Tools that could be run in the hole.
- (2) The Polish Bore Receptacle has a full bore opening to the liner below it. This allows us to run bridge plugs, retainers, or bits into the liner if necessary.
- (3) The seal assembly PBR hook-up allows for tubing movement while treating the well. It will withstand higher treating pressures during stimulation than would be possible with most other production packers.
- (4) In most of the wells drilled in this area there are several zones of interest. By having the seal assembly stung into the PRB, the lowest zone can be tested and if non-productive squeezed. The next zone of interest can then be perforated, acidized and tested. All this can be accomplished without pulling the tubing. This can save a considerable amount of time and money.

The Polish Bore Receptacle is run on the top of the liner. It is for this reason that the tubing is sometimes set a considerable distance above the productive zone.

We feel that this Packer system not only saves us a considerable amount of time and money, but also is the most reliable Packer system available. Of the several hundred wells in which HNG Oil Company has utilized this system over the past wears, we have had very few failures. If you have any questions, in lease feel fiftee to give me a call.

DEC 18 1981

OIL CONSERVATION DIVISION SANTA FE

Very truly yours,

George M. Hours

George M. Hover

Completion Engineer

GMH/bg