

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

January 21, 1982

Collier Energy, Inc.
Box 798
Artesia, New Mexico 88210

Attention: Donald R. Craig, President

Administrative Order TX-85

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 0 feet in the following well:

<u>LEASE NAME</u>	<u>WELL NO.</u>	<u>UNIT</u>	<u>S-T-R</u>
Quail State	1	N	8-17S-28E
Eddy County, New Mexico			

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
State Land Office - Santa Fe
Oil & Gas Engineering Committee - Hobbs

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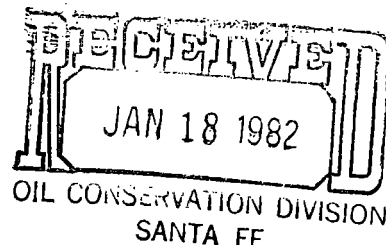
Collier Energy, Inc.

- TX -

PHONE (505) 746-6520
Box 798
ARTESIA, NEW MEXICO 88210

January 15, 1982

Mr. Joe Ramey, Director
Oil Conservation Division
Energy and Minerals Department
P.O. Box 2088
Santa Fe, New Mexico 87501



RE: Quail State #1
L-98
Exception to Rule 107 2D
T-17-S, R-28-E, N.M.P.M.
Section 8: SE/4 SW/4
Eddy County, New Mexico

Gentlemen:

Your approval is requested for an exception to Rule 107 2D for our Quail State #1 gas well located 990' FSL & 1650' FWL of Section 8, Township 17 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. The subject well was completed September 29, 1977 as a Grayburg gas well in the Red Lake Queen Grayburg San Andres Pool. The well has 7" casing set at 539' and was cemented with 100 Sxs., which was circulated. The 5 1/2" casing was set at 1488' and cemented with 100 Sxs. Plug back T.D. of the well is 1831'. The well tested as at flowing tubing pressure of 65# with a gas volume of 26 MCFGPD. This well has had no stimulation applied to the producing formation.

I would respectfully request that we be allowed to produce this well without tubing until such time as we are able to fracture treat the well. I am afraid if we kill the well at this time to run tubing, it will damage the formation and we will not be able to recover the quantity of gas we are producing at this present date.

I would appreciate your prompt attention to this matter.

Sincerely,

COLLIER ENERGY, INC.



Donald R. Craig
President

DRC:cm