STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

May 27, 1987

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-5800

Tenneco Oil Exploration and Production P. O. Box 3249 Englewood, Colorado 80155

Attention: Mike McCredie

Administrative Order TX-171

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 3 1/2 inch casing with no tubing in the following well:

Well Name and Number: Storey A Well No. 2

Location: Sec. 35, T-32-N, R-11-W, NMPM, San Juan 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,

WILLIAM J. LEMAY, Division Director

WJL/REJ/dr

cc: Oil Conservation Division - Aztec

Tenneco Oil Exploration and Production



A Tenneco Company

Rocky Mountain Division

P.O. Box 3249 Englewood, Colorado 80155 (303) 740-4800 Delivery Address: 6162 South Willow Drive Englewood, Colorado 80111

May 1, 1987

State of New Mexico
Oil & Gas Conservation Commission
Mr. William J. LeMay
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Storey A #2

Sec. 35, T32N, R11W

San Juan County, New Mexico

Dear Mr. LeMay:

Tenneco Oil Company plans to drill the referenced well during the 2nd quarter of 1987. According to the State requirements, "all gas wells equipped with casing larger in size than 2 7/8-inch OD shall be tubed" (Rule 107-D2). Tenneco has proposed a slimhole completion in the Pictured Cliffs formation using 3 1/2-inch casing.

Tenneco Oil Company respectfully requests administrative approval for a tubingless completion as stated in Rule 107-D4.

Very truly yours,

TENNECO OIL COMPANY

Mike McCredie

Administrative Analyst

MMc/cc:2148P