

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION

February 20, 1995



Enron Oil & Gas Company
P. O. Box 2267
Midland, Texas 79702

Attention: Betty Gildon

Administrative Order TX-215

Dear Ms. Gildon:

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 make a tubingless completion in the following well:

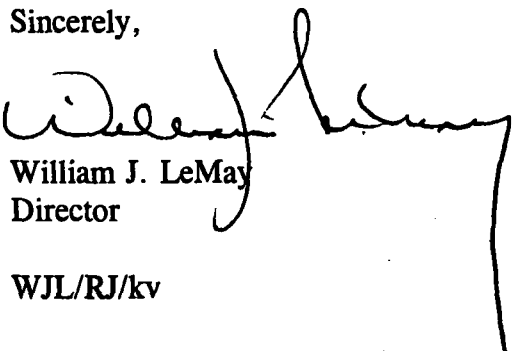
Well Name and Number: Diamond "7" State Well No. 2

Location: Section 7, Township 25 South, Range 34 East, NMPM,
Lea County, New Mexico

Remarks: Production tubing will be required when subject well ceases to flow.

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

Sincerely,


William J. LeMay
Director

WJL/RJ/kv

cc: Oil Conservation Division - Hobbs

VILLAGRA BUILDING - 408 Galisteo
Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830
Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco
Office of the Secretary
827-5950
Administrative Services
827-5925
Energy Conservation & Management
827-5900
Mining and Minerals
827-5970
Oil Conservation
827-7131

PVZV 2005535445

TX *Tubing exception*

ENRON Oil & Gas Company

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

OIL CONSERVATION DIVISION
RECEIVED

January 16, 1995 95 JAN 23 AM 8 52

Mr. Jerry Sexton
New Mexico Oil Conservation Commission
P.O. Box 2088
Sante Fe, New Mexico 87501

Re: Diamond "7" State No. 2
Sec 7, T25S, R34E
Red Hills Filed
Lea County, New Mexico

Dear Mr. Sexton :

Enron Oil & Gas respectfully requests your approval to complete and produce the above-referenced well from the Bone Spring formation (perforations 12290 to 12340) without the use of production tubing . The referenced well contains the following tubulars:

<u>CASING</u>	<u>GRADE</u>	<u>DEPTH</u>	<u>TOP OF CEMENT</u>
11-3/4"	H-40	679	Circulated
8-5/8"	S-80	5040	Circulated
5-1/2"	P-110	12545	5300

The well was fracture treated via the 5-1/2" production casing and has been allowed to flowback through that casing to achieve faster cleanup and to minimize the risk of formation damage. Our plans are to install 2-7/8" production tubing when the well ceases to flow, which should occur within the first year or two of production.

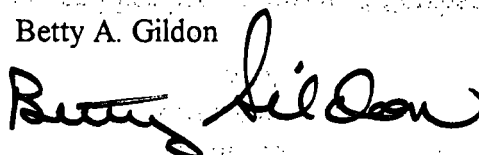
We believe this "tubingless" completion technique is completely safe and effective for the following reasons:

- The well is in a known producing field
- No corrosive or pressure problems are know to exist
- The well is a single completion
- The 5-1/2" production string has been cemented into the base of the 8-5/8" casing
- The 5-1/2" is very high strength casing
- The stabilized after-frac flowing tubing pressures are low (less than 1,000 psig)
- The technique lowers the cost of the completion, thereby improving the economics of the project

Thank you for your consideration of this request. If you need additional information, please contact me.

Sincerely,

Betty A. Gildon



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