

Chambers & Kennedy

SUITE 607
MIDLAND NATIONAL BANK BUILDING

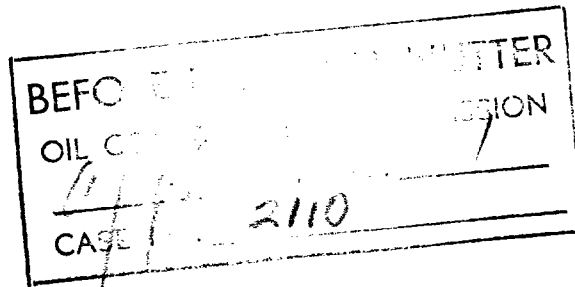
MIDLAND, TEXAS

OCTOBER 17, 1960

C. FRED CHAMBERS
W. D. KENNEDY

TELEPHONE
MU 3-4643

Mr. Daniel S. Nutter
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico



Re: Chambers & Kennedy
Monterey State #3
1-N, 32-18-31; Eddy
Co., New Mexico

Dear Mr. Nutter:

Chambers and Kennedy propose to dual-complete their Monterey State Well No. 3. This well is presently completed in the 2nd Grayburg inside 7-inch casing with perforations at 3626 to 3636. It is pumping an average of fifty-seven barrels of oil per day, no water, and a Gas Oil Ratio of 277 cubic feet per barrel.

The second zone that we propose to complete is the Yates section from 2616 to 2634. We presently have two wells on this lease pumping from the Yates zone, Wells number 1 and 4 neither of which are making any water.

The two zones in this well will be separated by a Brown Oil Tools Inc. By-Pass packer. This type of packer was presented to the Oil Conservation Commission in the hearing of the Chambers and Kennedy Case No. 2078 to dual-complete their Monterey State Well No. 2, and approval was granted in Order No. R-1784.

Attached and presented as exhibits are:
1-diagrammatic sketch of installation
1-Radioactive log
1-Plat of adjoining property

We have not experienced a Corrosion or any other

production problem from these zones which would indicate we will not be able to effectively drain these reservoirs.

It is our thought that this is the most economical method of producing these two zones in this well.

Yours very truly,

CHAMBERS & KENNEDY

W. J. Alexander
Production Engineer

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