



## Sunray Mid-Continent Oil Company

P. O. BOX 128  
HOBBS, NEW MEXICO

September 22, 1961

New Mexico Oil Conservation Commission  
P. O. Box 2045  
Hobbs, New Mexico

Subject: N. M. State "F" No. 2  
Lane Penn & Lane Wolfcamp Pools  
C1-10S-33E  
Lea County, New Mexico

Gentlemen:

Subject well is a dual completion with the Penn TA and the Wolfcamp producing 30 BOPD and 500 BWPD on a Kobe pump. A schematic diagram of the completion is attached for additional information and clarification.

The New Mexico Oil Conservation Commission test schedule calls for a GOR test on each zone during the month of September with a packer leakage test during the same period. We request that the packer leakage test requirement for subject well be waived.

We believe that there are several extenuating facts or circumstances which justify this request. They are as follows:

1. As shown on the attached plat, Sunray Mid-Continent Oil Company is the only operator in the pools in question. All of the wells are producing considerably below the former allowable, despite what we believe to be more than reasonable and prudent operating practices. Working and royalty interests on subject lease and our adjoining N. M. State "I" lease are the same.
2. Both packers in subject well are of the permanent type with tubing seal assemblies commonly in use for the respective packers. Industry-wide, the reputation for this equipment is that leaks are quite rare.
3. We are disposing salt water into the Penn below the oil-water contact in a well 3 locations north of subject well. One of the purposes of this disposal is to effect a waterflood on the Penn production. To date, there have been no indications of any waterflood effect on the Penn.
4. Based on the current operating costs and production decline, subject well has less than a year's producing life remaining before reaching the economic limit.

NMOCC - N. M. State "F" #2

5. Due to the configuration of the packers and Kobe equipment down-hole, running a packer leakage test would require: (a) pulling the tubing (b) running tubing with perforated sub below the seal nipples for the Model "D" packer (c) pressure up on annulus with gas (perfs will not hold up liquid column). Hold pressure until stabilized (d) swab tubing minimum 2 hours to check effect on CP (e) pressure up on tubing with gas. (f) blow down casing to some pressure above zero and below TP (g) pull tubing and run back original tubing string.

The above is believed to be the simplest test we could run. Estimated cost of the test is: pulling unit \$750, nitrogen truck \$300, dressing seal nipples \$50, supervision and miscellaneous \$100, Total \$1,200. This is a minimum cost estimate based on working straight through and minimum times to reach stabilization on each phase of the tests.

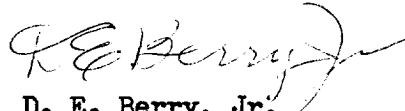
Our conclusions regarding the necessity of a packer leakage test based on the foregoing data are as follows:

1. Due to the downhole equipment in the well, a leak is very unlikely.
2. Any test, if performed, would not be a test of the equipment now in place and would therefore not be conclusive.
3. If a packer leak is present, the communicating fluid would be essentially all water going to the Penn. Such leakage would probably be of benefit in aiding the "semi-waterflood" now in effect on the Penn. Since the royalty and working interests are the same, there would be no impairment of correlative rights.
4. Reserves and producing rates involved in the requested waiver are minimal. No offset operators would be affected.

Your consideration of this request for waiver of packer leakage test will be greatly appreciated.

Sincerely,

SUNRAY MID-CONTINENT OIL COMPANY




D. E. Berry, Jr.  
Staff Engineer

DEB:db  
Attachment  
cc: File  
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R-34-E

[illegible]

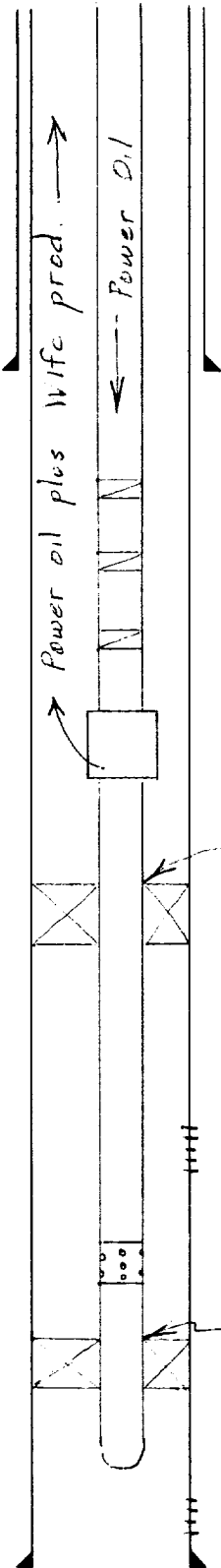
PRODUCING FORMATION		SUNRAY MID-CONTINENT OIL COMPANY	PRODUCING LEASES
NAME	AVERAGE DEPTH	FIELD LANE (WOLFCAMP & PENNSYLVANIAN)	STATE "F" STATE "I"
		DISTRICT: N & W TEXAS      CROOK TATUM COUNTY: LEA      STATE: N. MEXICO	
		SCALE 3000    1500    0    1500    3000    6000 	
		FEET	

DATE 9-22-61 WELL NO. 2 LEASE N.M. State FIELD Lane Penn & Wlf.

Sunray Mid Continent Oil Co.

Unit C Section 1 T10S R33E

Lea County, New Mexico



Kobe Circ Valve @ 9415'

Kobe check Valve @ 9446'

Kobe check Valve @ 9477'

Kobe Casing Pump 9511-26'

seal assembly for FA pkr w/ latch-in sub (Tbg in 6000# tension)

Baker Mod FA pkr @ 9588'

Wolfcamp perfs 9639-50'

Perf sub 9657-60'

seal assembly and locator sub for D pkr.

Baker Mod D pkr @ 9753'

Tbg PT 9763' (Bull plugged tail pipe below Mod D - no perfs)

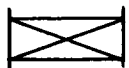
Penn perfs 9779-9804' (Temporarily Abandoned)

7" csg set @ 9855'

TD 9855'

**BAKER OIL TOOLS, INC.**

SERVING THE WORLD



BRIDGE PLUG



PACKER



CENTRALIZER



SCRATCHER



BASKET



PERFORATION