MURPHY OPERATING CORPORATION

ROSWELL PETROLEUM BUILDING

ROSWELL, NEW MEXICO 88201

MAILING ADDRESS
P. O. DRAWER 2648

TELEPHONE
505 623-7210

January 7, 1984

Mr. Jerry Sexton
Oil Conservation Division
Post Office Box 1980
Hobbs, New Mexico 88240
Attn: Ms. Melba Carpenter

Re: Todd Lower San Andres Unit
Well #36-5 Unit E
Section: 36 T7S,R35E
Roosevelt County, New Mexico

Dear Mr. Sexton,

Reference is made to your letter dated July 17, 1984 (copy attached). In an effort to isolate the P-1 perforation (4135' to 4201') and at the same time protect the P-2 interval (4251' to 4294') from damage that could result from a cement squeeze job we recommend that downhole production equipment be ran as shown on the proposed completion schematic (attached).
We propose that existing downhole equipment as shown on the present completion schematic (attached) be pulled and replaced as follows:

1. Rig-Up unit and pull 3/4" rods and 2 3/8" tubing.

2. Run bit and/or casing scrapper on 2 3/8" working string and circulate well to clean off casing walls and recover fines. POH.

3. Run approximately 4300' 2 3/8" 4.7# tubing as follows:
    1 6" gas anchor
    1 seat nipple
    1 jt. approx. (30') 12 3/8" J-55 Tubing
    1 Haliburton Straddle Packer. Set at 4230' (between 4201' & 4251')
    5 jts. approx. (150') 2 3/8" J-55 Tubing
    1 Haliburton Straddle Packer. Set at 4080' (above 4135')
    130 jts. 2/3" J-55 Tubing (to surface).

4. Run 3/4" rods and 1 1/2" x 12' insert pump.

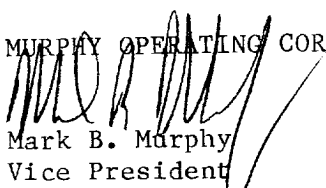5. Hook-up well head return to production

If we run the downhole equipment as outlined above and on the attached schmatic this will isolate the P-1 porosity zone.

Enclosed please find a completed Sundry Notice outlining our proposed plan. If this plan meets with your approval please return the enclosed Sundry Notice and we will begin these operations immediately.

Thank you for your cooperation. Best regards.

Sincerely,

MURPHY OPERATING CORPORATION

Mark B. Murphy
Vice President

MBM/bjf
Enclosure: July 17, 1984 Correspondence
            Present Completion Schmatic
            Proposed Completion Schmatic
            Sundry Notice