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Mr. Jerry Sexton
Supervisor, District 1
State of New Mexico Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88240

Re: Well History, State I #1, 660' FSL, 1980' FWL, 4-15S-33E, Lea County, N.M.

Dear Mr. Sexton:

As per our telephone conversation today, the following is a summary of the old Amerada well records and my own.

In March, 1962, a hole developed in the casing, which was found to be between 5106 and 5137. At this time, Amerada reported that they went to 1800# on the tubing on the perforations 9880-9905 and 9944-9960 while they were testing to determine the location of the casing leak. The well was squeezed with 100 sacks and on drill-out, the top of cement was found at 5131'. Cement was drilled to 5150', so it was apparent all 100 sacks went behind the pipe and probably up, as the Braden Head valves were open. (S.O.P. for Amerada) The Intermediate Casing was set at 4235' and the 100 sacks should be very close to the bottom of the 8 5/8" or above the base of it. After the squeeze it was necessary to re-acid the perforations to regain production. In October, 1964, perforations were made at 9918, 9824, 9817, 9793, 9769, 9746 and 9740 with 1 hole/ft. Again, the new and old perforations were acidized. In June, 1965, a retrievable bridge plug was set at 9852, and the perforations from 9740-9824 were acidized, with apparently no positive results, as the well pumped the same before and after the workover.

Shortly after I acquired the lease, 1/1/71, it was necessary to change the pump, and a new pump was run in March, 1971. In May, 1971 a gradual increase in the total amount of fluid pumped began and the gravity of the produced crude started dropping. In July the gravity was between 23-26.5, and by December, 1971 the gravity was 19-20°. In November, 1979, the well was pulled and we were unable to re-set the holddown, which was finally set at 8900' with the seating nipple being at 9005'. In February, 1980 the seating nipple was again reset at 9599'. In May, 1980, further mechanical problems occurred and the seating nipple and holddown were set at 6000'. The well is being pumped from this depth today, and no perforations have been made above 9746.