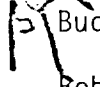


M E M O R A N D U M

TO:  Buddy Knight
FROM: Bob Wilson

DATE: January 30, 1978

SUBJECT: Discussion of proposed workover in Atoka/Morrow
Federal "17" Well No. 1, Red Tank Morrow Area,
Sec. 17, T-22-S, R-32-E, Lea County, New Mexico
with Dan Nutter (Oil Conservation Commission-
Chief Engineer)

In regard to the recent correspondence from the Hinkle law firm's Mr. C. D. Martin to Cleary's Max Douglas (dated January 25, 1978), I discussed the well conditions and proposed workover with the New Mexico Oil Conservation, Chief Engineer, Mr. Dan Nutter. Mr. Nutter was not aware of the mechanical difficulties (partially collapsed liner at approximately 13,560') and in view of this problem was amenable to the proposal of testing the Atoka/Morrow interval after workover (if commercial) with the Cardinal Surveys-Tracer Log to determine the proportional contribution of the separate Atoka and Morrow horizons (2 zones in each interval) to the composite stream. Should this test prove that either zone is producing the preponderance of the production he feels that downhole separation would be requested if it is also shown that cross flow is a possibility or if the well produces at high rates. Mr. Nutter would not estimate a rate beforehand at which the Commission might require separation but seemed more concerned in determining that cross flow between the Atoka and Morrow Sands does not occur. He said he would cooperate and discuss the problems of post completion with us when the facts are available.

RBW:mlb

RECEIVED

FEB 7 1978

OIL CONSERVATION COMM.
HOBBS, N. M.