



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

NATURAL RESOURCES GROUP
Exploration and Production

October 19, 1981

10/23/81

New Mexico Department of Energy and Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico, 87501

Attention: Mr. Dan Nutter
Chief Engineer

Re: Rule 107(d) Exception
San Simon 32 A State No. 1 "Com"
Lea County, New Mexico

Gentlemen:

Confirming our conversation of October 16, 1981, the following data and exhibits are submitted in support of the request for a tubing exception under Rule 107(d) as filed by HNG Oil Company. Further, this is to advise that the jointly owned San Simon 32 A State No. 1 "Com" was drilled and completed, ready to produce, by HNG Oil Company. Phillips assumed operation of the well on September 30, 1981.

Subject well bore was drilled to 13,296' with 7" production casing set at 11,096' and 4-1/2" liner set at 13,294' with the top of liner hung at 10,803'. Liner production perforations are 12,742-12,748'. 2-7/8" production tubing was set at 10,829' with a polish bore receptacle set at 10,800'. Setting the tubing and receptacle at these points allow full and complete testing of the producing zone without pulling the tubing. This type mechanical completion is expedient in completing wells in this area and zone of interest.

Forms C-105 and C-122 are attached for your review. Please note that Form C-122 reflects a hydrocarbon ratio and gravity while the Form C-105 reflects a flow test with no liquid hydrocarbon production. It is anticipated that some condensate will be produced in normal operations.

Your consideration and advice on this exception request will be appreciated.

Very truly yours,

T. Harold McLeMore
Regulation and Proration Supervisor

THM:ehg
Attachments

cc: New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico, 88240
w/Attachments