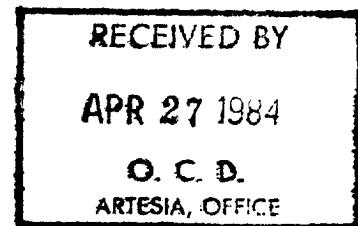


W. A. MONCRIEF, JR. #1 MARATHON STATE "COM"
Unit J, Section 11, T24S, R24E



(1) Current production varies from 338 to 645 MCFGPD on 14/64" ck depending on El Paso's line pressure. FTP varies from 540 to 760#. This well was originally completed from Morrow "E" sand perfs 10,544-10,565', Morrow "D" sand perfs 10,427-10,431' and Morrow "B" sand perfs 10,322-10,328' for a CAOF of 17,761 MCFGPD on 5-5-80 after 500 gallons MA.

This well started making 10-15 BWPD in early 1982. EPNG requested that we shut-in the #1 Marathon State and #2 Marathon State due to their reduced demand for gas on 5-28-82. Moncrief requested permission to pinch back these two wells plus the Baldrige Federal #2 instead of completely shutting in the Marathon State #1 and #2 wells since the #1 Marathon State made considerable water and we were afraid a complete shut-in would either ruin or permanently damage it. Mr. Dean Rittman, an attorney for EPNG, insisted that the Marathon State #1 and #2 wells be completely shut in. They were shut-in on 6-18-82. The #1 Marathon State was delivering 1,202 MCFGPD on 10/64" ck with FTP 1750# on 6-18-82 prior to being shut in. EPNG advised us we could return these wells to normal production on 7-7-82. The #1 Marathon State would not flow. A unit arrived on location 7-12-82 and found the fluid level at 2,700' from the surface. The well was swabbed for 6 hours on 7-12-82 and for 3 hours on 7-13-82 before it would continue to flow. On 7-14-82 the well delivered gas ARO 538 MCFGPD on 14/64" ck with FTP 900#. On 8-14-82 the well delivered gas ARO 986 MCFGPD on 14/64" ck with FTP 1025#. On 9-14-82 the well delivered gas ARO 1,091 MCFGPD on 14/64" ck with FTP 850#. The well had been permanently damaged as a result of the shut-in period and never regained the FTP nor volume that it had prior to the shut-in.

(2) Operator continued to produce this well from both the Morrow "B" and Morrow "E" perfs. Mr. Jim Minnick of El Paso's Jal office was notified of the permanent damage done as a result of the shut-in period and agreed that the well should be exempt from any future shut-ins or pinch backs. Mr. Les Clements of the Artesia office of the Oil Conservation Division was notified of this damage by letter dated 10-1-82 and granted an exception to the Annual Gas Shut-In Pressure Test (Division Rule 402) by letter dated 10-8-82.

The well continued to produce from both zones until 6-25-83 when it loaded up with water and would no longer buck the EPNG line pressure.

Operator moved in a well service unit on 7-5-83 and isolated and tested the Morrow "B" and Morrow "E" zones separately over the next 60 days and determined that the Morrow "B" perfs from 10,322-10,328' were making most of the water and the Morrow "E" perfs from 10,544-10,565 were making most of the gas and a small amount of water.

The well has continued to produce from the Morrow "E" perfs only since 9-3-83 to the present; but has been exempt from shut-ins or pinch backs.