W. A. MONCRIEF, JR.

OIL PRODUCER

400 METRO BUILDING
MIDLAND, TEXAS 79701

TELEPHONE 682-1762

April 26, 1984

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
MONCRIEF EXHIBIT NO. A
CASE NO. 8213
Submitted by THORNTON
Hearing Date 6/6/84

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Joe Ramey

Re: Application for Hardship Classification
W. A. MONCRIEF, JR. #1 MARATHON STATE
Unit J, Section 11, T24S, R24E
Eddy County, New Mexico

Gentlemen:

Attached is an application form and other data supporting our request that the above-referenced well be granted Hardship Classification.

If you need additional data, call me at 915/682-5101 or 682-1762.

Very truly yours,

Dewey E. Thornton

Dewey E. Thornton,
Exploration Manager

DET:wg
Attachment

cc: Mr. Les Clements - Oil Conservation Division
Mr. Don Janssen - El Paso Exploration
Mr. Paul Burchall - El Paso Natural Gas Co.
Mr. Jerry Cooper - Pogo Production

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 Baldridge 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.

(9) All information submitted with this application is true and correct to the best of my knowledge. One copy of the application has been submitted to the Artesia District office of the Oil Conservation Division, one copy to the transporter/purchaser and one copy to each offset operator.

Dewey E. Thornton

Dewey E. Thornton

cc: Mr. Les Clements - Oil Conservation Division - Artesia, NM
Mr. Don Janssen - El Paso Exploration - Midland, TX
Mr. Paul Burchall - El Paso Natural Gas Co. - El Paso, TX
Mr. Jerry Cooper - Pogo Production - Midland, TX

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. Box 2088
Santa Fe, New Mexico 87501

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APPLICATION FOR CLASSIFICATION AS HARDSHIP GAS WELL

Operator W. A. Moncrief, Jr. Contact Party Dewey Thornton

Address 400 Metro Bldg., Midland, TX 79701 Phone No. 915/682-1762 or 682-5101

Lease Marathon State Well No. 1 UT J Sec. 11 TWP 24S RGE 24E

Pool Name Baldridge Canyon Morrow Minimum Rate Requested 450 MCFGPD

Transporter Name EPNG Purchaser (if different) _____

Are you seeking emergency "hardship" classification for this well? X yes _____ no

Applicant must provide the following information to support his contention that the subject well qualifies as a hardship gas well.

Provide a statement of the problem that leads the applicant to believe that "underground waste" will occur if the subject well is shut-in or is curtailed below its ability to produce. (The definition of underground waste is shown on the reverse side of this form)

2) Document that you as applicant have done all you reasonably and economically can do to eliminate or prevent the problem(s) leading to this application.

   a) Well history. Explain fully all attempts made to rectify the problem. If no attempts have been made, explain reasons for failure to do so.

   b) Mechanical condition of the well (provide wellbore sketch). Explain fully mechanical attempts to rectify the problem, including but not limited to:

      i) the use of "smallbore" tubing; ii) other de-watering devices, such as plunger lift, rod pumping units, etc.

Present historical data which demonstrates conditions that can lead to waste. Such data should include:

   a) Permanent loss of productivity after shut-in periods (i.e., formation damage).

   b) Frequency of swabbing required after the well is shut-in or curtailed.

   c) Length of time swabbing is required to return well to production after being shut-in.

   d) Actual cost figures showing inability to continue operations without special relief

4) If failure to obtain a hardship gas well classification would result in premature abandonment, calculate the quantity of gas reserves which would be lost

5) Show the minimum sustainable producing rate of the subject well. This rate can be determined by:

   a) Minimum flow or "log off" test; and/or

   b) Documentation of well production history (producing rates and pressures, as well as gas/water ratio, both before and after shut-in periods due to the well dying, and other appropriate production data).

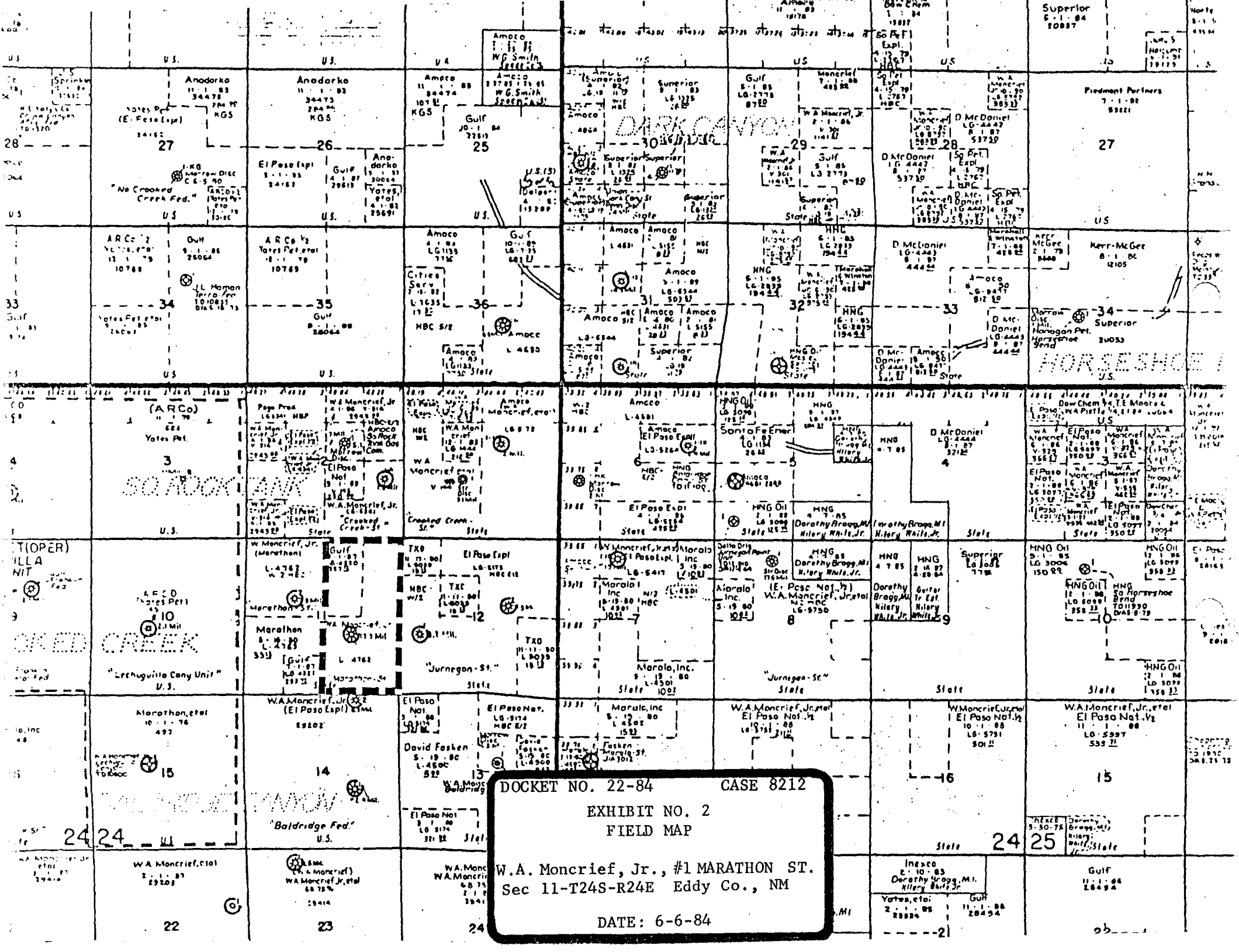
6) Attach a plat and/or map showing the proration unit dedicated to the well and the ownership of all offsetting acreage.

7) Submit any other appropriate data which will support the need for a hardship classification.

8) If the well is in a prorated pool, please show its current under- or over-produced status.

9) Attach a signed statement certifying that all information submitted with this application is true and correct to the best of your knowledge; that one copy of the application has been submitted to the appropriate Division district office (give the name) and that notice of the application has been given to the transporter/purchaser and all offset operators.

EXHIBIT "B" CASE NO. 8877 ORDER NO. R-7453


DOCKET NO. 22-84 CASE 8212
EXHIBIT NO. 2
FIELD MAP
W.A. Moncrief, Jr., #1 MARATHON ST.
Sec 11-T24S-R24E Eddy Co., NM
DATE: 6-6-84