

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87501

Side 1

APPLICATION FOR CLASSIFICATION AS HARDSHIP GAS WELL

Operator CONOCO INC. Contact Party HUGH INGRAM
Address P.O. BOX 460, HOBBS, N.M. 88240 Phone No. 393-4141
Lease LEVERS FEDERAL Well No. 1 UT E Sec. 2 TWP 21-S RGE 25-E
Pool Name SPRINGS UPPER PENN (GAS) Minimum Rate Requested 350 MCFPD
Transporter Name GAS COMPANY OF NEW MEXICO Purchaser (if different) _____

Are you seeking emergency "hardship" classification for this well? * yes no
*REC'D. BY LES A. CLEMENT'S LETTER DTD 1-12-87
Applicant must provide the following information to support his contention that the subject well qualifies as a hardship gas well.

- 1) 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.
- 3) 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.

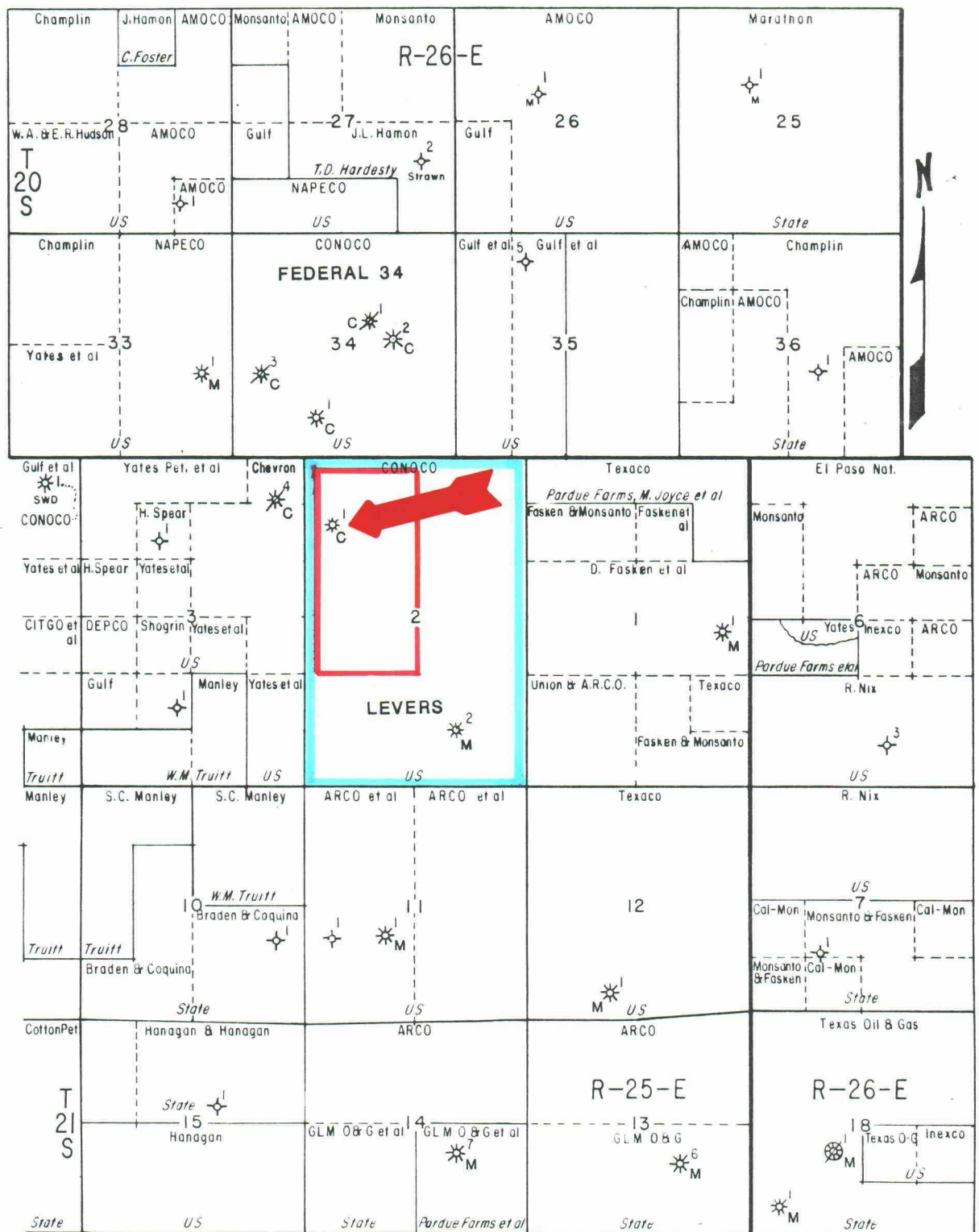
BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. 1

CASE NO. 9079

Submitted by CONOCO INC.

Hearing Date: FEBRUARY 18, 1987



Levers Federal Lease

Proration Unit - Levers Federal No. 1

BEFORE EXAMINER Catanach
OIL CONSERVATION DIVISION

EXHIBIT NO. 2

CASE NO. 9079

Submitted by CONOCO INC.

Hearing Date FEBRUARY 18, 1987

PRODUCTION
DEPARTMENT

CONOCO

HOBBS
DIVISION

LEVERS FEDERAL LEASE

Section 2-T21S-R25E

EDDY COUNTY, NEW MEXICO

SCALE
0' 1000' 2000'

EXHIBIT 2

PS Form 3811, July 1983 447-845

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. ☐ Show to whom, date and address of delivery.

2. ☐ Restricted Delivery.

3. Article Addressed to:
BARBARA FASKEN
203 W. WALL, STE.
MIDLAND, TX. 79701

4. Type of Service: Article Number
☐ Registered ☐ Insured
☒ Certified ☐ COD P-241-440-545
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee
X

6. Signature — Agent
X *[Signature]*

7. Date of Delivery
2-6-87

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

PS Form 3811, July 1983 447-845

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. ☐ Show to whom, date and address of delivery.

2. ☐ Restricted Delivery.

3. Article Addressed to:
GAS CO. of NEW MEXICO
2444 LOUISIANA Blvd. N.E
Albuquerque, N.M. 87125

4. Type of Service: Article Number
☐ Registered ☐ Insured
☒ Certified ☐ COD P-241-440-542
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee
X

6. Signature — Agent
X *[Signature]*

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

ALBUQUERQUE, N.M. FEB 9 1987 USPO

PS Form 3811, July 1983 447-845

SENDER: Complete items 1, 2, 3 and 4. (CHAE)

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. ☐ Show to whom, date and address of delivery.

2. ☐ Restricted Delivery.

3. Article Addressed to:
Cities Service Oil & Gas Corp
Box 1919
MIDLAND, TX. 79705

4. Type of Service: Article Number
☐ Registered ☐ Insured
☒ Certified ☐ COD P-241-440-544
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee
X

6. Signature — Agent
X *[Signature]*

7. Date of Delivery
2-6-87

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

PS Form 3811, July 1983 447-845

SENDER: Complete items 1, 2, 3 and 4. (CHAE)

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1. ☐ Show to whom, date and address of delivery.

2. ☐ Restricted Delivery.

3. Article Addressed to:
CHEVRON U.S.A. INC.
P.O. Box 670
Hobbs, N.M. 88240

4. Type of Service: Article Number
☐ Registered ☐ Insured
☒ Certified ☐ COD P-241-440-541
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee
X

6. Signature — Agent
X *[Signature]*

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

PAGE 1 EXHIBIT NO. 3

CASE NO. 9079

Submitted by CONOCO INC.

Hearing Date FEBRUARY 18, 1987

PS Form 3811, July 1983 447-845

SENDER: Complete items 1, 2, 3 and 4.
Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. ☐ Show to whom, date and address of delivery.
2. ☐ Restricted Delivery.

3. Article Addressed to:
TSIACCO, INC.
Box 728
Hobbs, N.M. 88240

4. Type of Service: Article Number
☐ Registered ☐ Insured
☒ Certified ☐ COD P-241-440-546
☐ Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature — Addressee
X

6. Signature — Agent
X *Baro Henry*

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)
2-13-87

DOMESTIC RETURN RECEIPT

PS Form 3811, July 1983 447-845

SENDER: Complete items 1, 2, 3 and 4.
Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. ☐ Show to whom, date and address of delivery.
2. ☐ Restricted Delivery.

3. Article Addressed to:
NAPECO
P.O. Box 283
Harrison, TX. 77001

4. Type of Service: Article Number
☐ Registered ☐ Insured
☒ Certified ☐ COD P-241-440-543
☐ Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature — Addressee
X

6. Signature — Agent
X

7. Date of Delivery
FEB 9 1987

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

PS Form 3811, July 1983 447-845

SENDER: Complete items 1, 2, 3 and 4. (HAI)

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. ☐ Show to whom, date and address of delivery.
2. ☐ Restricted Delivery.

3. Article Addressed to:
Vates Petroleum Corp.
105 S. Fourth St.
Artesia, N.M. 88210

4. Type of Service: Article Number
☐ Registered ☐ Insured
☒ Certified ☐ COD P-241-440-540
☐ Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature — Addressee
X *MAE KAH*

6. Signature — Agent
X

7. Date of Delivery
2-6-87

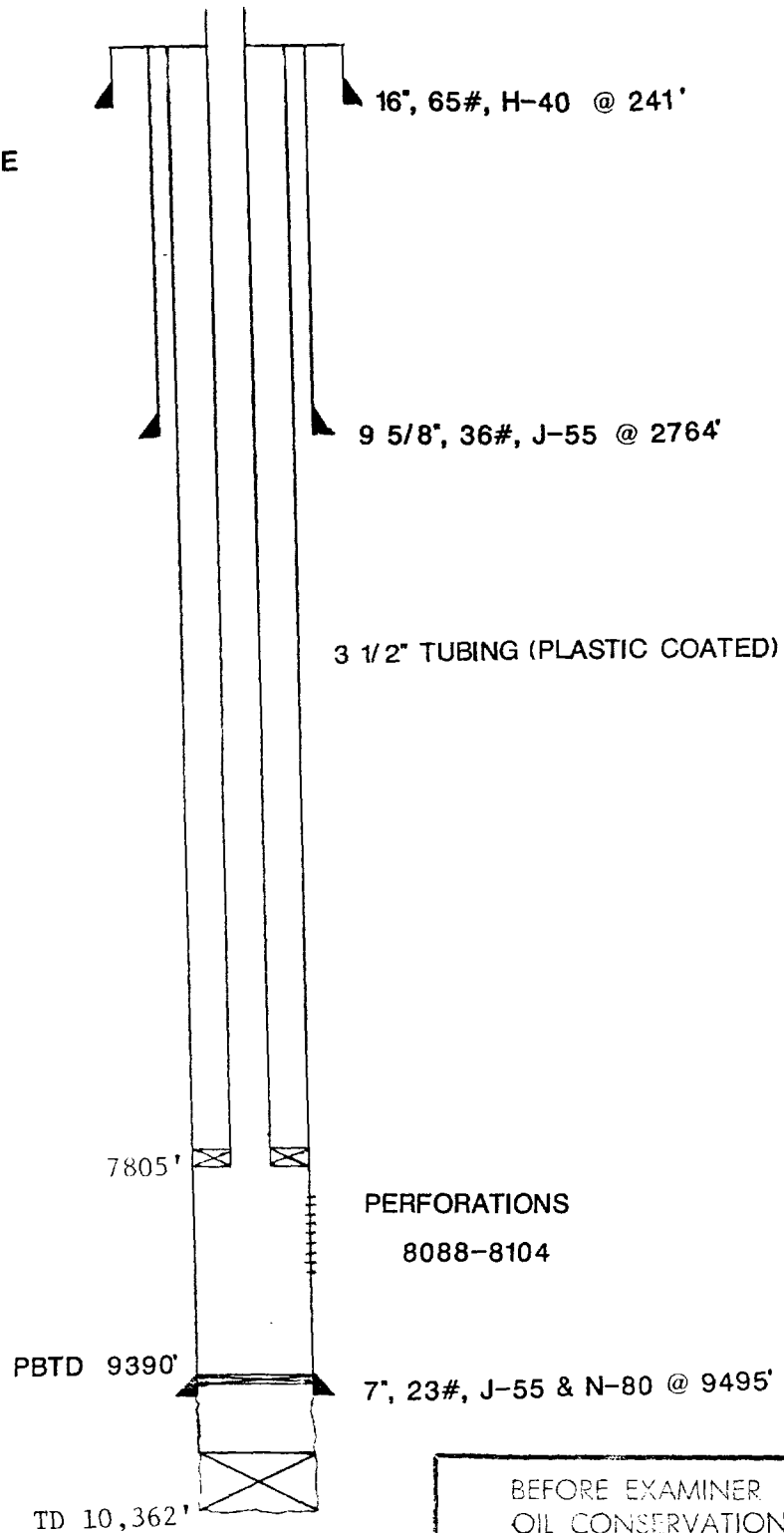
8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
PAGE 2 EXHIBIT NO. 3
CASE NO. 9079
Submitted by CONOCO INC.
Hearing Date FEBRUARY 18, 1987

LEVERS FEDERAL NO. 1
WELLBORE SCHEMATIC

1594' FNL & 660' FWL,
SECTION 2, T-21S, R-25E



BEFORE EXAMINER. Catanach
OIL CONSERVATION DIVISION

EXHIBIT NO. 4

CASE NO. 9079

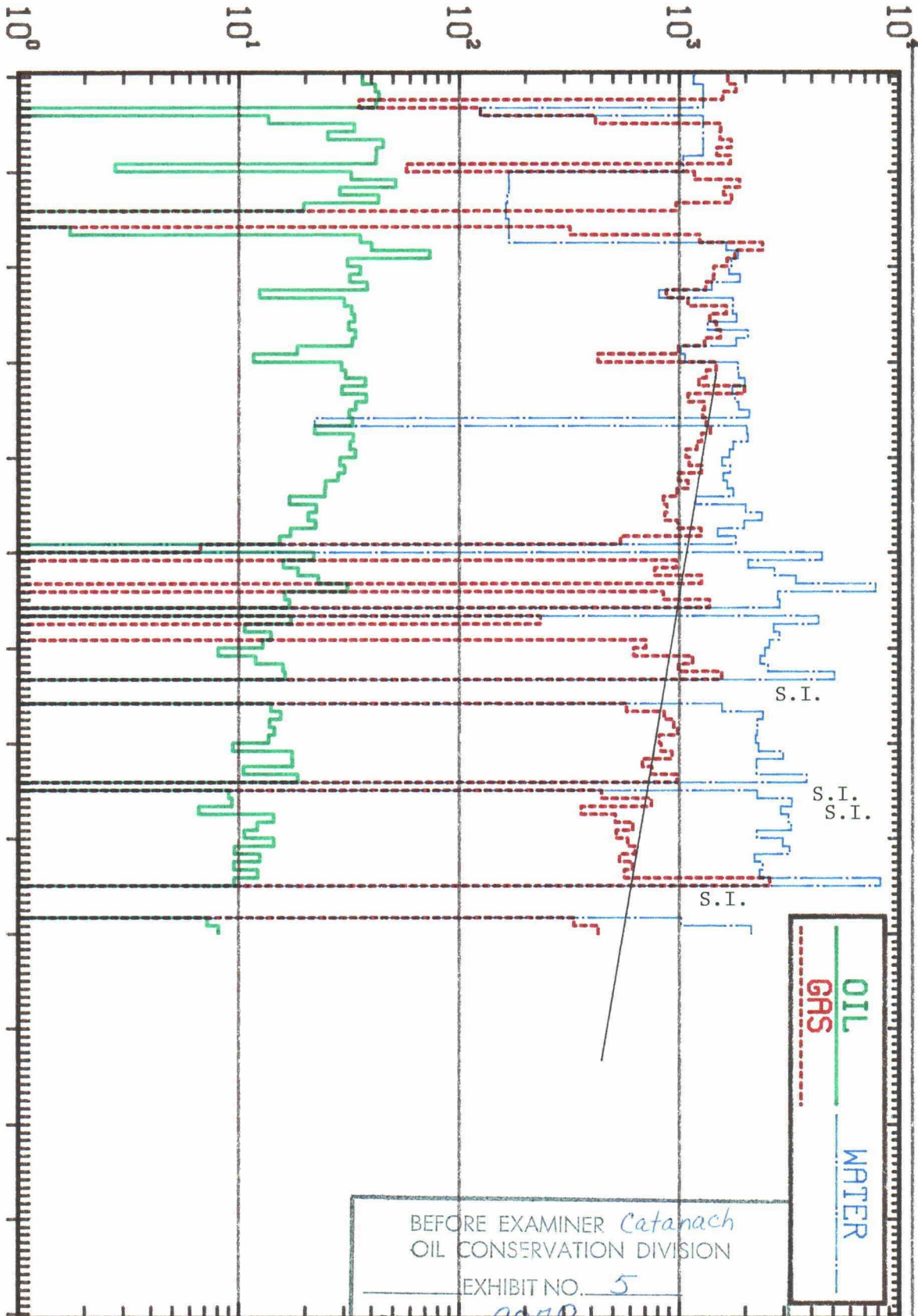
Submitted by Conoco Inc

Hearing Date 2-18-87

LEVERS FEDERAL NO. 1

PEGS01 LIQUID & GAS PRODUCTION VS. TIME 02/16/87

... BBL/DAY ... MCF/DAY ...



WELL POOL CODE: 1UKM

BEFORE EXAMINER *Catanach*
OIL CONSERVATION DIVISIONEXHIBIT NO. *5*CASE NO. *9079*Submitted by *Conoco Inc.*Hearing Date *2-18-87*

EXHIBIT 6

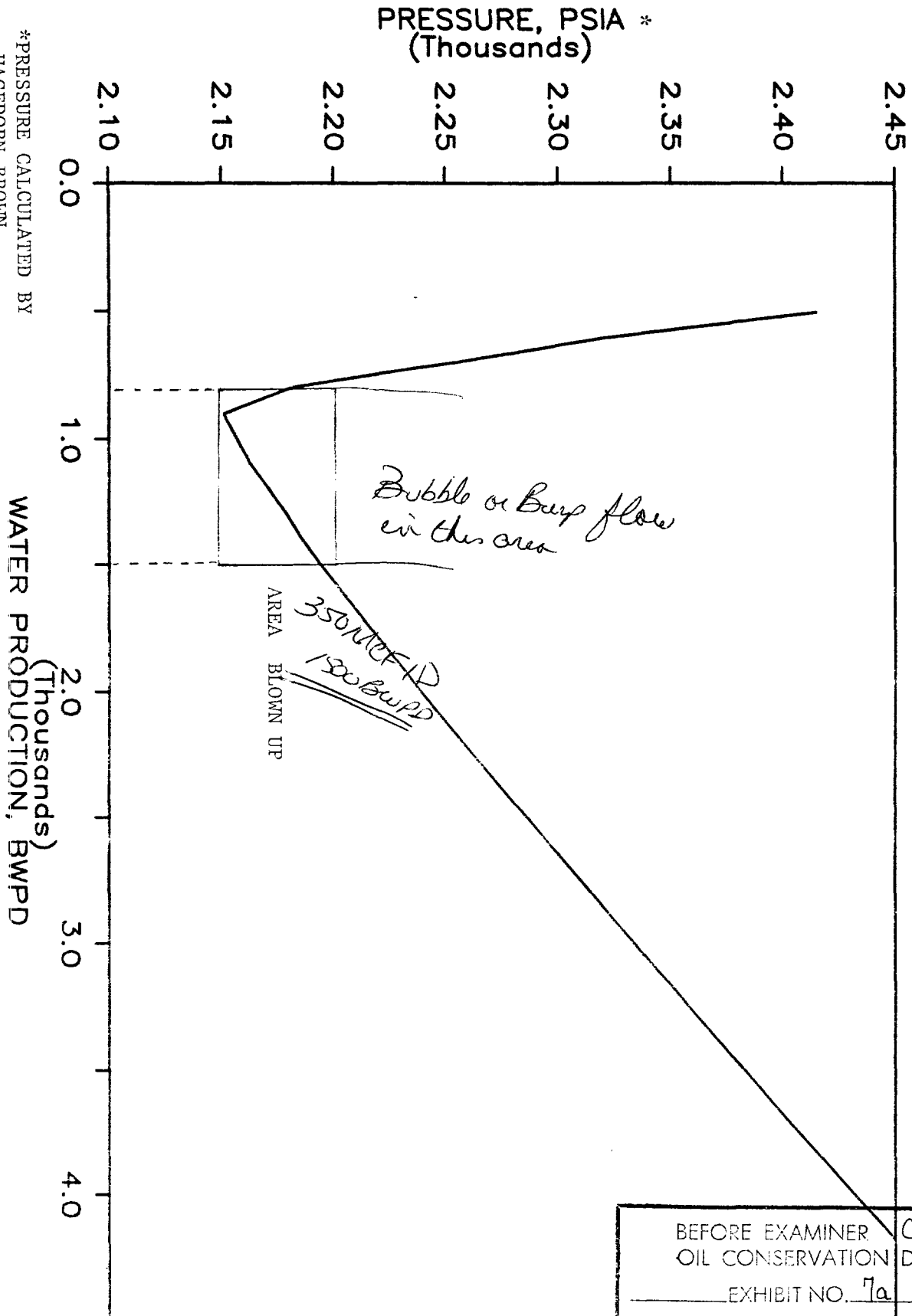
LEVERS FEDERAL NO. 1
Daily Production Reports

<u>DATE</u>		<u>MCFPD</u>	<u>BWPD</u>	<u>BOPD</u>
11/06/86	3 days after shut-in period	761	2685	0
11/17/86		437	2240	5
11/24/86		391	2130	5
12/01/86		395	2226	3
12/13/86		461	2371	5
12/30/86		480	2230	8

BEFORE EXAMINER Catanach
OIL CONSERVATION DIVISIONEXHIBIT NO. 6CASE NO. 9079Submitted by Conoco IncHearing Date 2-18-87

LEVERS FEDERAL NO. 1

PRESSURE VS. BWPD HAGEDORN-BROWN *



BEFORE EXAMINER Catanach
OIL CONSERVATION DIVISION

EXHIBIT NO. 7a

CASE NO. 9019

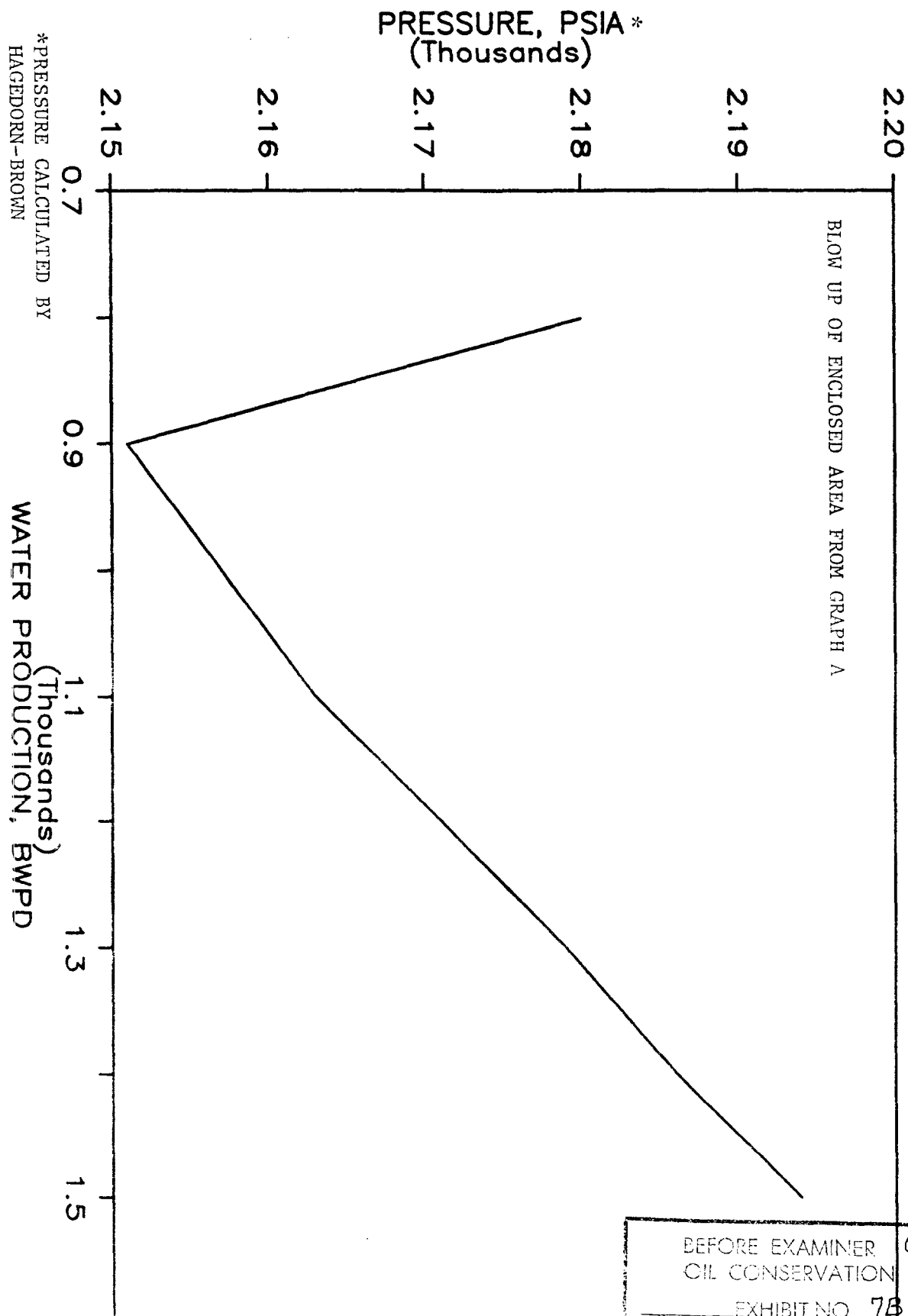
Submitted by Conoco Inc

Hearing Date 2-18-87

LEVERS FEDERAL NO. 1

PRESSURE VS. BWP HAGEDORN-BROWN*

BLOW UP OF ENCLOSED AREA FROM GRAPH A



BEFORE EXAMINER
OIL CONSERVATION

Catanach
DIVISION

EXHIBIT NO. 7B

CASE NO. 9079

Submitted by Conoco Inc

Hearing Date 2-18-87

LEVERS FEDERAL NO. 1 COMPUTER RESULTS

WELL FLOWING ANALYSIS CONOCO PROGRAM #GC260

MESSAGE ----- REVIEW OF RATES & PRESSURE ----- TIME - 20:10
COMMAND === DATE - 37/02/15

TITLE == LEVERS FEDERAL #1 GLR=200
USER ==

GOR ==
REF DEP == 8100
REF TMP == 155
SURF TMP == 60
TOP PRS == 80

X AXIS TYPE == GAS For graphics
Enter OIL GAS WATER TFL

RATES ARE FROM A	GAS	WELL	IPR-2.2H	REF- COMP DP	INT-2.1H	ERR. VEL
OIL	GAS	WATER	SANDFACE		VERT DP	
0	100	500			2415	10
0	200	1000			2157	20
0	300	1500			2194	31
0	400	2000			2239	41
0	500	2500			2286	51
0	600	3000			2334	61
0	700	3500			2383	71
0	800	4000			2432	81
0	900	4500			2483	92
0	1000	5000			2535	102

GRAPHICS = ENTER ; LAST PANEL = PF15 ; MAIN MENU = PF16 ; HELP = PF13

MESSAGE ----- REVIEW OF RATES & PRESSURE ----- TIME - 20:10
COMMAND === DATE - 37/02/15

TITLE == LEVERS FEDERAL #1 GLR=200
USER ==

GOR ==
REF DEP == 8100
REF TMP == 155
SURF TMP == 60
TOP PRS == 80

X AXIS TYPE == GAS For graphics
Enter OIL GAS WATER TFL

RATES ARE FROM A	GAS	WELL	IPR- SANDFACE	REF- COMP DP	INT-2.1H	ERR. VEL
OIL	GAS	WATER			VERT DP	
0	120	600			2321	12
0	140	700			2254	14
0	150	750			2215	15
0	160	800			2180	16
0	180	900			2151	18
0	200	1000			2157	20
0	220	1100			2163	22
0	240	1200			2171	24
0	260	1300			2179	26
0	280	1400			2186	28

GRAPHICS = ENTER ; LAST PANEL = PF15 ; MAIN MENU = PF16 ; HELP = PF13

BEFORE EXAMINER Catanach
OIL CONSERVATION DIVISION

EXHIBIT NO. 8

CASE NO. 9079

Submitted by Conoco Inc

Hearing Date 2-18-87

MONTHLY PRODUCTION REPORTS

LEVERS FEDERAL NO. 1

GLR

DATE	DAYS PRODUCED	GAS, MCFPD	OIL, BOPD	WATER, BFPD	GLR, SCF/BBL
1-85	30	24,956	284	69,245	359
2-85	24	22,507	425	72,078	310
3-85	31	21,023	541	69,440	300
4-85	30	22,400	341	67,200	332
5-85	15	14,604	277	56,789	256
6-85	0	0	0	0	0
7-85	21	9,457	192	48,296	195
8-85	21	15,926	199	69,456	229
9-85	14	5,014	92	40,459	124
10-85	30	15,086	424	92,238	163
11-85	30	18,404	363	96,474	190
12-85	31	15,967	327	69,601	229
1-86	31	18,030	445	91,388	196
2-86	28	17,574	267	88,617	198
3-86	31	16,549	385	67,964	242
4-86	30	18,379	284	71,712	255
5-86	31	17,440	377	71,712	242
6-86	2	5,134	19	16,372	313
7-86	0	0	0	0	0
8-86	0	0	0	0	0
9-86	0	0	0	0	0
10-86	0	0	0	0	0
11-86	29	9,609	208	29,522	233
12-86	31	13,253	250	65,760	201

BEFORE EXAMINER Catanach
OIL CONSERVATION DIVISIONEXHIBIT NO. 9CASE NO. 9079Submitted by Conoco IncHearing Date 2-18-87