



Production Department
Hobbs Division
North American Production

Conoco Inc.
P.O. Box 460
726 East Michigan
Hobbs, NM 88240
(505) 393-4141

January 14, 1987

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

o
1222x 9081

Attention Michael Stogner

Gentlemen:

Request for Hearing - Hardship Gas Well Classification - Federal 34 Well
No. 2, Springs Upper Penn (Gas) Pool, Eddy County, New Mexico

Attached are three (3) copies of the subject Application for Examiner
Hearing. Please schedule this matter on the Examiner Docket for February
18, 1987.

A copy of this Application has been sent to all known offset operators.

Yours very truly,

H. A. Ingram
Conservation Coordinator

:tr

Attachments

cc: Tom Kellahin - Santa Fe
Gas Company of New Mexico, Albuquerque
Chevron U.S.A. Inc. - Hobbs
Cities Service O & G Corp. - Midland
NAPECO- Houston
Yates Petroleum Corp. - Artesia
Les. A. Clements - NMOCD - Artesia

BEFORE THE OIL CONSERVATION DIVISION
OF THE
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION OF
CONOCO INC. FOR HARDSHIP GAS WELL CLASS-
IFICATION FOR ITS FEDERAL 34 WELL NO. 2,
LOCATED IN UNIT H, SECTION 34, T20S, R26E,
EDDY COUNTY, NEW MEXICO, SPRINGS UPPER
PENN (GAS) POOL

Case 7081

A P P L I C A T I O N

Applicant, CONOCO INC., respectfully requests HARDSHIP GAS WELL CLASSIFICATION for its Federal 34 Well No. 2, Springs Upper Penn (Gas) Pool, located in Unit H, Section 34, T20S, R26E, Eddy County, New Mexico, and in support thereof will show:

1. Applicant is owner and operator of the Federal 34 Lease consisting of Section 34, T20S, R26E, Eddy County, New Mexico.
2. That the Federal 34 Well No. 2 is an Upper Penn gas well located in Section 34, T20S, R26E, Eddy County, New Mexico, which under normal producing conditions will flow approximately 425 MCFG, 3B0, and 1900 BW per day, with the reservoir drive mechanism of the Upper Penn gas zone being water.
3. That water encroachment during periods of shut-in reduces the total recoverable gas reserves and increases the risk of watering out the Upper Penn gas zone in this well.
4. That water encroachment in and around the wellbore could cause premature abandonment and waste of recoverable gas and oil reserves.
5. That the Federal 34 Well No. 2 is located 2310' FNL and 1290' FEL of said Section 34 with the N/2 of the section being dedicated as the proration unit for the well.

APPLICATION

January 14, 1987

Federal 34 Well No. 2

6. That Conoco Inc. operates the only wells in the Springs Upper Penn (Gas) Pool.

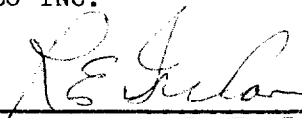
7. That the granting of this Application will prevent waste and will not impair the correlative rights to any party.

WHEREFORE, Applicant respectfully requests that this application be set for hearing before the Division's duly appointed Examiner, and upon hearing, an order be entered designating the Federal 34 Well No. 2 as a HARDSHIP GAS WELL.

Respectfully submitted,

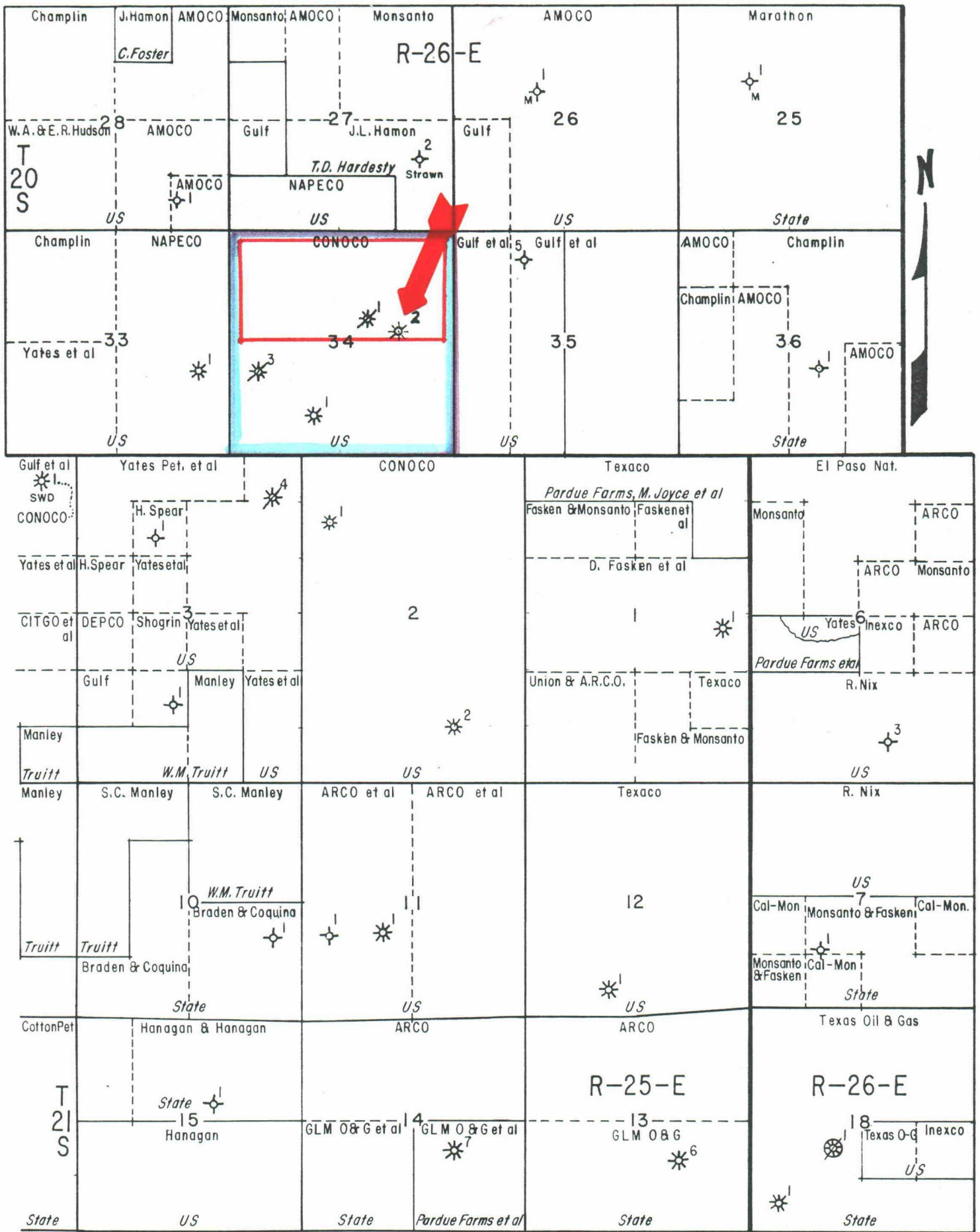
CONOCO INC.



BY



R. E. Irelan

DIVISION MANAGER OF PRODUCTION
HOBBS DIVISION



 Federal 34 Lease
 Proration Unit - Federal 34 No. 2