



DINERO

P. O. Box 10505

Midland, Texas 79702

(915) 684-4292

July 6, 1984

William F. Carr
Jefferson Place
Suite 1 - 110 North Guadalupe
Sante Fe, New Mexico 87501

Dear Bill,

Please find enclosed copies of the exhibits prepared for the hardship case.

If you have any questions, please feel free to contact me.

Best regards.

Sincerely,

DINERO OPERATING COMPANY

James C. Dewey
Land Manager

JCD/11e

5425

14640

November 13, 1980

Big Chief #3

Depth: -12,000 Ft.

TERMS - NET 30 DAYS

Clarke Oil Well Servicing, Inc.

NEW MEXICO 680000324-5374

DAILY NEWSPAPER

November 13, 1980

Heart

Company Dining Operating Company Well No. Big Chief #3
 Lease Box 805 Total Depth 10,000
 County Hidalgo Texas 79701 State Texas

Double Derr. # 961 Single Derr. # 12
961 Double Derrick Unit # 12-12
CREW MEMBERS: _____

2025 RELEASE UNDER E.O. 14176

10/11/80 thru 11/7/80 Ticket Nos. 30146 thru 30150 & 31402

Furnish labor & equipment to service well during workover operations. ☐ Service Valve

Item	Unit	Quantity	Unit Price	Total Price
64 1/2 Hours	Unit 6 4 Man Crew @ 81.50 per hour			5,256.75

Description of Work Performed: (Give a full and detailed description of what was done):		
1	1 day Tubing Long Rental @ \$100.00	162.00
1	1 day Tubing Wiper Rental @ \$25.00	51.00
1	1 day Swab Hose @ \$75.00	19.00
1	1 day Packer @ \$100.00	5.00

ax 18 Tax 219.3

No.	Pulled	No. Box	Size	No. Pallet
				NOV 17 1980 5-76

Old Pump #	New Pump #	Superintendent

FOR OFFICE USE ONLY

Approved: _____

Proc Time & Date Yds

TERMS - NET 30 DAYS

Voucher No. _____ Total Time _____

No 31402

1. *Journal of Management Studies*, 1996, 33, 1, 1-14.

Date 12/27/88 Approved by _____

ILLEGIB

OTIS ENGINEERING CORPORATION 60760

RECHARGE
ND
ERY
EC
7
0598000
0-11-79 370425
403031
AM WELL NO.
WELL NAME AND LOCATION
INTEREST RATE
See Merchandise and Service Order

SEND REMITTANCES TO
P.O. BOX 84456
DALLAS, TEXAS 75284

CUSTOMER
NUMBERS
0598000

J C BARNES OIL CO
P.O. BOX 505
MIDLAND, TEX 79701

INVOICE NO.

978114

DATE 11-27-79

QUANTITY	UNIT PRICE	TOTAL
1.0	1.70	1.70
1.0	1.60	1.60
1.0	2.40	2.40
1.0	2.80	2.80
1.0	1.80	1.80
1.0	4.40	4.40
208.00	208.00	208.00
150.0	.75	112.50
		12.58
		.83
		348.61

PAR NUMBER
DESCRIPTION
QUANTITY
UNIT PRICE
TOTAL
0-11-79 370425
403031
AM WELL NO.
WELL NAME AND LOCATION
INTEREST RATE
See Merchandise and Service Order

OTIS
J C BARNES OIL CO.
APPROVED
OK
Don't let this

DEC 5 1979

ILLEGIBLE



ORIGINAL
INVOICE

The Western Company of North America

P. O. BOX 2947

FORT WORTH, TEXAS 76113

93190

TO **DINERO OPERATING COMPANY**
DRAWER 10505
MIDLAND, TEXAS 79703

TERMS
NET CASH DUE ON OR
BEFORE 30 DAYS
AFTER DATE OF INVOICE

FEDERAL I. D. NO. C 75-0783484

INVOICE NO.

64486

PLEASE DISREGARD THIS INFORMATION

24300 53 14 30 2 20 6

DATE			OUR RECEIPT NO.	SERVICES FROM OUR STATION AT	OUR ENGINEER	SIGNED FOR YOU BY
MO	DAY	YR				
07	23	0	300532	ARTESIA STM.	KING	LOWDER
FOR SERVICING WELL NAME				COUNTY	STATE	YOUR ORDER NO.
BIG CHIEF #3				EDDY	NEW MEXICO	
UNITS	CODE	DEPTH AND DESCRIPTION			UNIT PRICE	AMOUNT
3500.0	C003A	7.5% ACID, PER GALLON			.470	1,645.00
10.5	C1031	I+15 H. T. ORGANIC INHIBITOR P./GAL			23.900	250.95
3500.0	C2561	MS ACID CONV CHG, PER GAL			.340	1,190.00
10.0	H0171	FS-F, PER GALLON			21.850	218.50
5.5	H0641	FR-20 FOR ACID, WATER OR BRINE P/GAL			29.900	164.45
8.5	H2281	CLAYMASTER, STABILIZING AGENT, P/GAL			25.550	217.18
30.0	H3041	7/8 IN RCN HI TEMP BALLS, EA			1.900	57.00 *
1.0	J0071	ACID FRAC-700 1ST 4 HRS. OR FRACTION			900.000	900.00 *
1.0	J3501	SAFETY WELLHD PROTECTR 1ST 8HR-FRAC			787.000	787.00 *
40.0	J3531	WELLHD PROTECTR MILEAGE PER UNIT, MI			1.850	74.00 *
1.0	J3561	WELLHD PROTECTOR MOBILIZATION UN CHG			134.000	134.00 *
40.0	J3901	MILEAGE CHARGE, PER UNIT PER MILE			1.850	74.00 *
1.0	J5011	MANUAL BALL INJECTOR-1ST 4 HRS			105.000	105.00 *
SUB TOTAL						5,817.08
96300 NEW MEXICO STATE SALES TAX 3.75% *						79.93

W. OIL CO.
JRM
9-1-80
8-1-80
9-1-80

AUG 1 1980



INVOICE

The Western Company of North America

P. O. BOX 2947

FORT WORTH, TEXAS 76113

93190

TO **DINERO OPERATING COMPANY**
DRAWER 10505
MIDLAND, TEXAS 79703

TERMS
NET CASH DUE ON OR
BEFORE 30 DAYS
AFTER DATE OF INVOICE

FEDERAL I. D. NO. C 75-0763484

INVOICE NO.
76580

PLEASE DISREGARD THIS INFORMATION						
24300	53	14	30	2	20	6

DATE			OUR RECEIPT NO.	SERVICES FROM OUR STATION AT	OUR ENGINEER	SIGNED FOR YOU BY
MO	DAY	YR				
11	04	0	304946	ARTESIA STM.	HIGGINS	GOULD
FOR SERVICING WELL NAME				COUNTY	STATE	YOUR ORDER NO.
BIG CHIEF #3				EDDY	NEW MEXICO	
UNITS	CODE	DEPTH AND DESCRIPTION			UNIT PRICE	AMOUNT
250.0	C003A	7.5% ACID, PER GALLON			.470	117.50
1000.0	C003A	7.5% ACID, PER GALLON			.470	470.00
.5	C1031	I-15 H. T. ORGANIC INHIBITOR P./GAL			24.300	12.15
1.0	C1031	I-15 H. T. ORGANIC INHIBITOR P./GAL			24.300	24.30
250.0	C2561	MS ACID CONV CHG, PER GAL			.360	90.00
1000.0	C2561	MS ACID CONV CHG, PER GAL			.360	360.00
5.1	H1561	POTASSIUM CHLORIDE, PER CWT			19.250	98.18
9.0	H2221	LT-30, PER GAL			14.100	126.90
2.0	H2281	CLAYMASTER, STABILIZING AGENT, P/GAL.			25.550	51.10
.5	H2281	CLAYMASTER, STABILIZING AGENT, P/GAL.			25.550	12.78
10.0	H3041	7/8 IN RCN HI TEMP BALLS, EA			1.900	19.00 *
1.0	J0051	HHP PUMP 1ST 4 HRS OR FRACTION			615.000	615.00 *
1.0	J1301	MINIMUM PUMPING CHG, PER PUMP			1655.000	1,655.00 *
1.0	J3501	SAFETY WELLHD PROTECTR 1ST 8HR-FRAC.			787.000	787.00 *
52.0	J3531	WELLHD PROTECTR MILEAGE PER UNIT, MI			1.930	100.36 *
1.0	J3561	WELLHD PROTECTOR MOBILIZATION UN CHG			134.000	134.00 *
156.0	J3901	MILEAGE CHARGE, PER UNIT PER MILE			1.930	301.08 *
45.0	J3901	MILEAGE CHARGE, PER UNIT PER MILE			1.930	86.85 *
1.0	J5011	MANUAL BALL INJECTOR-1ST 4 HRS			105.000	105.00 *
SUB TOTAL						5,166.20
96300 NEW MEXICO STATE SALES TAX 3.75% *						142.62
NOV 17 1980						
PAY THIS AMOUNT						

INVOICE

CRC WIRELINE, INC.

An Operation of CRUTCHER RESOURCES CORPORATION

Remit To P. O. Box 53127

Lafayette, Louisiana 70505

5939

DINERO OPERATING CO.

P. O. DRAWER 10505

MIDLAND TX 79702

For Inquiries Write or Call

P. O. Box 53127

Lafayette, Louisiana 70505

Phone (318) 237-3800

INVOICE NO.

37106

PLEASE DISREGARD THIS INFORMATION

24500 0513 1 30 1 20

SERVICE DATE

MO. DAY YR.

INVOICE DATE

11 13 80

OUR RECEIPT

45252

SERVICES FROM OUR

HOBBS

OUR ENGINEER

WHEELER

SIGNED FOR YOU BY

GOULD

FOR SERVICING WELL NAME

COUNTY

STATE

YOUR ORDER NO.

EIG CHIEF NO. 3

EDDY

N. MEXICO

000

UNITS	CODE	DEPTH AND DESCRIPTION	UNIT PRICE	AMOUNT
1	050012	5 1/2 IN CIBP	580	627.80
12400	060020	DEPTH CHARGE PLUG	1800	2232.00
1	001010	SERVICE CHARGE	550.00	550.00
12400	060222	CASING DUMP BAITER	11	1364.00
16	040310	HOLLOW TUBE CARRIER 1 11/16 IN	0.00	2226.80
1	040351	1 1/2 HOLES	2250.00	2250.00
11	040353	OVER 5 HOLES	48.70	535.70
16	040131	THROUGH TUBING GUN	1.90	30.40
2	040410	SECTIONS BLANKED OFF	24.10	48.20
16	040411	PREMIUM CHARGES	3.60	57.60
1	003021	PRESSURE CONTROL	850.00	850.00
1	0513	NM 4% TAX	342.87	342.87

NOV 20 1980

Approved

Prod.

Inc.

Ch. No.

Voucher No.

ILLEGIBLE

8914.57

OFFICE: 746-3882
NITE: 746-8500

MACK CHASE, INC.

P. O. Drawer V
ARTESIA, NEW MEXICO 88210

INVOICE NO.
2638

DINERO INC
DRAWER 10505
MIDLAND TX 79702

DATE
8-15-80

TO:

LEASE: <i>BIG CHIEF</i>		WELL NO. <i>3</i>	PURCHASE ORDER NO.		Pg. <i>1</i>
DATE	TICKET NO.	SERVICES RENDERED	HOURS	RATE	AMOUNT
7-17-80	30064	RU, flow line & start swabbing.			
		Swab Unit w/2 men	8.5	50.00	425.00
		Swab Cups	4	10.50	42.00
		O.S.R.	2	6.75	13.50
7-18-80	30065	Bled well down, pulled out swab, ran sinker bar to 11500 worked between 9000 & 11500 pulled out, swabbed dry, made one run every hour.			
		Swab Unit w/2 men	13.5	50.00	675.00
		Swab Cups	6	10.50	63.00
		O.S.R.	2	6.75	13.50
-19-80	30066	Bled well off, ran swab, swabbed well dry, Sd.			
		Swab Unit w/2 men	8	50.00	400.00
		Swab Cups	2	10.50	21.00
		O.S.R.	2	6.75	13.50
21-80	30067	Bled well down, started swabbing.			
		Swab Unit w/2 men	13	50.00	650.00
		Swab Cups	6	10.50	63.00
		O.S.R.	2	6.75	13.50
-22-80	30068	Bled well down, swabbed well dry, SD.			
		Swab Unit w/2 men	10.5	50.00	525.00
		Swab Cups	2	10.50	21.00
		O.S.R.	2	6.75	13.50
23-80	30069	Bled well down, ran swab, acidized, SD.			
		Swab Unit w/2 men	15.5	50.00	775.00
		Swab Cups	6	10.50	63.00
		O.S.R.	4	6.75	27.00
		Swabbed in acid	10	7.00	70.00

OFFICE: 746-3892
NITE: 746-6500

MACK CHASE, INC.

P. O. Drawer V
ARTESIA, NEW MEXICO 88210

INVOICE NO.
2638

TO:

DINERO INC

DATE

8-15-80

LEASE: <i>BIG CHIEF</i>		WELL NO.	3		PURCHASE ORDER NO.	Pg. 2
DATE	TICKET NO.	SERVICES RENDERED	HOURS	RATE	AMOUNT	
8-24-80	31895	Bled well down, started swabbing, SD.				
		Swab Unit w/2 men	11.5	50.00	575.00	
		Swab Cups	6	10.50	63.00	
		O.S.R.	2	6.75	13.50	
	30070					
5-80		Bled well down, started swabbing, SD.				
		Swab Unit w/2 men	10	50.00	500.00	
		Swab Cups	4	10.50	42.00	
		O.S.R.	2	6.75	13.50	
6-80	30071	Bled well off, swabbed dry, SD.				
		Swab Unit w/2 men	8	50.00	400.00	
		Swab Cups	2	10.50	21.00	
		O.S.R.	2	6.75	13.50	
27-80	30072	Bled well down, swabbed dry, SD.				
		Swab Unit w/2 men	7	50.00	350.00	
		Swab Cups	2	10.50	21.00	
		O.S.R.	2	6.75	13.50	
28-80	34012	Swabbed all day, SD.				
		Swab Unit w/2 men	8.5	50.00	425.00	
		Swab Cups	2	10.50	21.00	
		O.S.R.	2	6.75	13.50	
9-80	34476	Well had 400 lbs on it, blowed it down, swabbed , fluid level stayed around 7500 ft from surface, SD.				
		Swab Unit w/2 men	9.5	50.00	475.00	
		Swab Cups	4	10.50	42.00	
		O.S.R.	2	6.75	13.50	

OFFICE: 746-3882
NITE: 746-8600

MACK CHASE, INC.

P. O. Drawer V
ARTESIA, NEW MEXICO 88210

INVOICE NO.
2638

TO:

DINERO INC

DATE
8-15-80

LEASE: BIG CHIEF WELL NO. 3 PURCHASE ORDER NO. Pg. 3

DATE	TICKET NO.	SERVICES RENDERED	HOURS	RATE	AMOUNT
7-30-80	34477	Well had 1400 psi on it, blowed it down, ran swab in, fluid level was 6500 ft. from surface, shut in well, SD.			
		Swab Unit w/2 men	9.5	50.00	475.00
		Swab Cups	4	10.50	42.00
		O.S.R.	2	6.75	13.50
-31-80	34015	Swabbed all day, put it to the line, SD.			
		Swab Unit w/2 men	11.5	50.00	575.00
		Swab Cups	4	10.50	42.00
		O.S.R.	4	6.75	27.00
-1-80	33866	Swabbed well, .			
		Swab Unit w/2 men	9.5	50.00	475.00
		Swab Cups	4	10.50	42.00
		O.S.R.	2	6.75	13.50
2-80	31897	Bled well down, Swabbed well dry, turned well down line, SD.			
		Swab Unit w/2 men	6	50.00	300.00
		Swab Cups	2	10.50	21.00
		O.S.R.	2	6.75	13.50
-80	34493	Well had 400 psi, blew it down, flowed fluid out, swabbed it, fluid level 6000 ft from surface, swabbed it down, shut in well, SD.			
		Swab Unit w/2 men	9.5	50.00	475.00
		Swab Cups	6	10.50	63.00
		O.S.R.	2	6.75	13.50

OFFICE: 746-3882
NITE: 746-6500

MACK CHASE, INC.

P. O. Drawer V

ARTESIA, NEW MEXICO 88210

INVOICE NO.
2638

13770

TO:

DINERO INC

DATE
8-15-80

LEASE BIG CHIEF		WELL NO. 3	PURCHASE ORDER NO. Pg. 4		
DATE	TICKET NO.	SERVICES RENDERED	HOURS	RATE	AMOUNT
-5-80	34551	Well had 1500 psi on tubing, blowed it down, made 2 swab runs, SD.			
		Swab Unit w/2 men	8.5	50.00	425.00
		Swab Cups	2	10.50	21.00
		O.S.R.	2	6.75	13.50
6-80	34552	400 lbs on tubing, blowed it down, made 1 swab run, RD, cleaned location.			
		Swab Unit w/2 men	4	50.00	200.00
		Swab Cups	2	10.50	21.00
		OS.R.	2	6.75	13.50
WELL SERVICE					9170.00
SUPPLIES					1018.50
3.75% TAX					382.07
TOTAL					10570.57
2% Discount if paid in 10 days 1½% Interest on 30 days past due					
Thank you					

Handwritten signature
8-18-80

H. L. HAGLER
President



P. O. BOX 4456
MIDLAND, TEXAS 79701

TELEPHONES
AREA CODE 915
682-5361 • 563-1810

INDIVIDUAL WELL DATA SHEET

Company BARNES OIL COMPANY Lease BIG CHIEF Well No. 2
Field _____ County _____ State _____
Test Date 04-09-79 Time _____ Status of Well _____ Shut In _____
Top of Pay _____ Total Depth _____ Producing Formation _____
Tubing _____ Depth _____ Packer NONE Pressure Datum _____ MPP
Casing _____ Depth _____ Perf. _____ Liner _____

Depth Feet	Δ Depth	Pressure Lbs. Sq. In.	Δ Pressure	*Gradient Lbs./Ft.	
SURFACE		1774.276			
	2500		66.141	.026	Tubing Press. 1777 DWG
2500		1840.418			Top of Fluid NO
	2500		80.314	.032	Top of Water NO
5000		1920.733			Hrs.-Shut In
	2500		105.511	.042	
7500		2026.245			Elevation
	2500		107.086	.042	Last Test Date INITIAL TEST
10000		2133.331			Press. Last Test
	1600		104.461	.065	B.H.P. Change
11600		2237.793			
	500		41.994	.083	RPG 15507
12100		2279.788			Calibration No. 36
	200		18.897	.094	Run By M. B. DAVIS
12300 RUN DEPTH		2298.685			Calculated By B. L. SWAFFORD

*Pressure and Gradients are calculated in decimals. Pressure and Δ pressure are shown to the nearest pound.

Calculations and Remarks: All Pressure Instruments Are Temperature Compensated

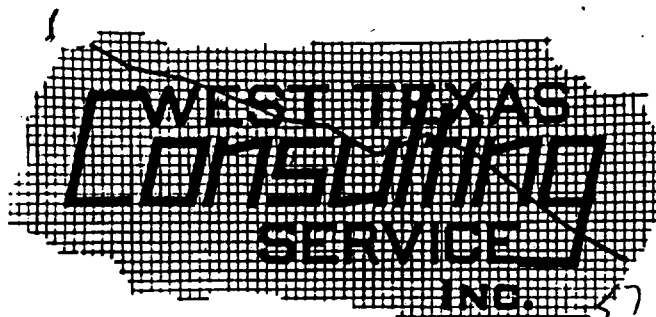
09-11-79

Distribution

4: P. O. BOX 505
MIDLAND, TEXAS 79702

1: OUR FILE

H. L. HAGLER
President



APR 12 1979

P. O. BOX 4458
MIDLAND, TEXAS 79701

TELEPHONES
AREA CODE 915
682-5381 • 563-1810

TO Barnes Oil Company

P. O. Box 505-Midland, Texas 79702

FOR Big Chief 4-9-79 Well No. 2

INVOICE NO. 5037

DATE 4-11-79

CUSTOMER'S
ORDER NO.

Minimum Day for Sub Surface Pressure		\$ 125.00
5300' Extra Footage Below 7000'	\$.006	31.80
Mileage Charge 344 Miles	.45	154.80
TOTAL CHARGES		\$ 311.60

J. C. BARNES OIL CO.

Approved [Signature]

Prod. _____ Inc. _____

Ck. No. 41816

Voucher No. 5191

"THANK YOU"



NOWSCO

Nitrogen Oil Well Service Company

Phone AC 713-861-4111 • P. O. Box 3047 • Houston, Texas 77001

DIVISION OF
BIG THREE INDUSTRIES

TO INSURE PROPER CREDIT RETURN ONE COPY OF THIS INVOICE WITH YOUR REMITTANCE

S 076058-00
O J. C. BARNES OIL CO
L PO BOX 505
D MIDLAND TX

TX 79701

LAND ☒ INLAND WATER ☐ OFFSHORE ☐

WELL: BIG CHIEF #2

FIELD: WILDCAT

#4557
Intang.

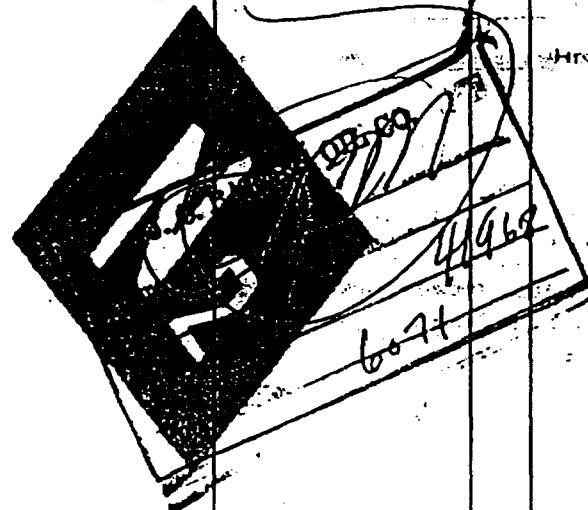
COUNTY OR PARISH: EDDY, NM

Type Job: ACID

INVOICE #					INVOICE #
	4/12/79	451541	451	4/30/79	137662

QTY	DESCRIPTION	UNIT	PRICE	TOTAL
14503	FIRST TWO UNITS 50,000		2.00 E	500.00
14503	NEXT	25,000.00 C	1.10	275.00
14503	NEXT	25,000.00 C	1.00	250.00
14503	NEXT	79,000.00 C	.90	711.00
14523	MILEAGE	40.00 E	1.20	48.00
14521	TIME	5.00 E	45.00	225.00
14527	PRESSURE CHARGE	2.00 E	110.00	220.00
9104	ROYALTY	179,000.00 C	.04	71.60
2270	3.75% NEW MEXICO TAX			105.02
SUB TOTAL				2,800.60
TAXES				105.02
INVOICE TOTAL				2,905.62

MAY 10 1979



LOCATIONS:
HOBBS, NEW MEXICO
EUNICE, NEW MEXICO
ANDREWS, TEXAS

PHONE 392-6591

D A and S
Oil Well Servicing, Incorporated

P. O. BOX 2545
HOBBS, NEW MEXICO 88240

Invoice No. 79-2540
A F E No.
Contract No.
Your Order No.
Field
Pay Zone
Date Invoiced 4-24-79

SOLD TO Barnes Exploration Company
Box 505
Midland, Texas 79701

#4557

Indones

Lease or Location

Big Chief

State NM

Well No. 2

DATE	DESCRIPTION	HOURS	RATE	AMOUNT
4-12-79 60735	Move unit #163 to location. Unit with 4 man crew	9	68.66	\$ 617.94
4-13-79 60736	Rig up, swab well, rig down. Unit with 4 man crew	9	68.66	617.94
	Swab Cups, 2" Bell Excell, 2 @ \$10.50 each			21.00
	Oil Saver Rubbers, Bell, 2 @ \$6.75 each			13.50
				<u>\$1270.38</u>
	3.75% New Mexico State Tax			47.64
				<u>\$1318.02</u>
1% Discount Allowed If Paid Within 30 Days				
<div><div>J. O. BARNES OIL CO.</div><div>Approved <i>[Signature]</i></div><div>Pres. _____ Inc. _____</div><div>Ch. No. <u>41709</u></div><div>Voucher No. <u>5064</u></div></div>				
<i>John Gould</i>				
APR 25 1979				

BENNETT WIRE LINE SERVICE

BOX 787 - PHONE 746-3281
ARTESIA, NEW MEXICO 88210

Sold To. J. C. Barnes Oil Co.
P.O. Box 505
Midland, Texas 79701

WORK ORDER NO.

& DATE 3-25-79

REQUISITION NO.

CONTRACT NO.

REFER TO INVOICE NO. 379-29

INVOICE DATE

VENDOR'S NO.

#4557

Indana

DATE	QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
------	----------	-------------	------------	--------

Lease - Big Chief
Well # 2
State - N. M.

3-25-79 Temperature Survey at Temp
12:00 am Minimum Charge
96 miles round trip

75.00	75.00
.30	28.80
	103.80

APR 26 1979

J. C. BARNES OIL CO.

Approved *[Signature]* Inc. 41677

Prod. 5032

Ck. No.

Voucher No.

John Jones

Tax	4.15
Total	107.95

El Paso
Natural Gas Company

Lavanda we need to comply with this

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-541-2600

April 6, 1984

DINERO OPERATING CO.
P.O. DRAWER 10505
MIDLAND, TX

77702

Return Receipt Requested

Re: Hardship Gas Wells
State of New Mexico
Energy and Minerals Department
Oil Conservation Commission
Order No. R-7453

Gentlemen:

The attached print out indicates El Paso Natural Gas Company is producing your well, or wells, in such a manner that they are not completely shut-in during periods of low demand for gas.

In order to avoid occasional shut-in of the well, or wells, your company must furnish the undersigned a copy of an application or notice of hearing from the New Mexico Oil Conservation Division within 60-days which will indicate you are seeking a hardship status as provided for in Order No. R-7453.

The Division Director has the authority to permit an additional 90-day emergency hardship gas well classification for any well for which an application is received by May 2, 1984. In absence of an application, order or an administrative directive from the New Mexico Oil Conservation Division, we must return your well, or wells, to normal scheduling.

If you have any questions concerning this matter, please contact.

Very truly yours,

Paul W. Burchell

Paul W. Burchell
Conservation Engineer
(915) 541-3860

/je
Attachment

*Les Clements - 3:15 PM
5/2/84 W.C. Bock
for an Extension on Hearing*

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JUN 28 1984

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
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TELECOPIER: (505) 983-6043

June 26, 1984

Mr. Jim Dewey
Dinero Operating Company
Post Office Box 10505
Midland, Texas 79702

Re: Oil Conservation Division Cases 8218, 8219, 8220
and 8221: Applications of Dinero Operating Company
for Hardship Gas Well Classification, Eddy County,
New Mexico.

Dear Jim:

Enclosed is a general outline of testimony to be used in preparing a case for hardship well classification. Please treat the enclosed outline only as a general starting point in preparing your testimony. I will be back in the office on June 29, and will call you at that time so that we may discuss these cases further.

Best regards.

Very truly yours,

William F. Carr

William F. Carr WC

WFC/cv
enclosure

HARDSHIP WELLS
OCD ORDER R-7453
OCD RULES 408 THROUGH 412

WITNESS: _____

1. State your name and place of residence.
2. By whom employed and in what capacity?
3. Have you previously testified before this Division or one of its examiners?
 - a. Summarize your educational background.
 - b. Review your work experience.
4. Are you familiar with the application filed in this case and the subject well?

ARE THE WITNESS' QUALIFICATIONS ACCEPTABLE?

5. Identify EXHIBIT #1. (Application for Classification as Hardship Gas Well)
 - a. When was this application filed?
 - b. Were copies filed with the Santa Fe and District offices of the OCC?
 - c. Was an emergency hardship classification sought for this well?
 - d. When was the emergency classification granted?
6. Refer to the Plat included in the application and identify the well for which the hardship gas well classification is sought.

7. In what pool is it completed?
8. Is this a prorated pool?
9. If in a prorated pool, what is the well's status? (Marginal or non-marginal: over-produced - under-produced)
10. What acreage is dedicated to the well? (Standard unit?)
11. Does the plat show the offsetting operators? (Are these operators set out on a separate list in the application?)
12. Has notice of the application been given to these offsetting operators? (Certification attached to application).
13. Did the notice contain the "minimum sustainable producing rate" which you seek in this case?
14. Was this notice also given to the transporter and purchaser of the gas? (Certification attached to application).
15. What "minimum sustainable producing rate" are you seeking?
16. How was this rate obtained? (Minimum flow test/log of test (when run) productive history - see paragraph 5 of Oil Conservation Division Application Form)
17. Will underground waste occur if production from this well is curtailed below this recommended producing rate? (or if the well is shut-in)

18. Describe how this underground waste will occur. (Description of the Problem)
19. What attempts have you made to eliminate this problem?
(It must be shown that all reasonable and economic attempts have been made to eliminate this problem - or an explanation given why attempts were not made).

20. Review the historical data on this well.

SHOW:

- a. Loss of productivity after shut in.
- b. Frequency and actual cost of swabbing after shut in or curtailment - including length of swab-time.
- c. Actual cost figures showing inability to continue operations without special relief.
- d. Any other data which shows that curtailment would result in underground waste.

(Refer to any production data, production graphs or completion records attached to the application).

21. Review the wellbore sketch. (Note any mechanical conditions that would limit your ability to eliminate this problem without a hardship classification - see paragraph 2 of Oil Conservation Division Application Form).
22. If a hardship classification is not granted for this well, could it result in its premature abandonment?
23. How much reserves would be lost if the hardship classification is not granted? (Review calculations show lost reserves).

24. Summary:

- a. Have you acted in a responsible and prudent manner to eliminate the problems which will result from curtailing production from the subject well prior to requesting a hardship well classification?
- b. Will granting this application prevent underground waste of natural gas?
- c. Will granting this application be in the best interest of conservation of natural gas?
- d. Have all offsetting operators been notified of this application and the production rate sought?

25. Was Exhibit #1 prepared by you or under your direction and supervision?

OFFER EXHIBITS.