STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

TONEY ANAYA
GOVERNOR

September 11, 1985

P.O. DRAWER DD
ARTESIA, NEW MEXICO 88210
(505) 748-1283

Mike

Case 8717

Corinne Grace
P.O. Box 1418
Carlsbad, New Mexico 88220

District II EHGWC NO. 20

Re: Emergency Hardship Gas Well
Classification
City of Carlsbad No. 1-O
Sec. 25, Twn.22S, Rge.26E

Gentlemen:

Under provisions of Rule 411, you are hereby granted an emergency hardship classification on the above captioned well. This well is not to be produced in excess of 731 MCFD.

In the matter of pernament hardship classification for this well, it has been set for an examiners hearing on October 9, 1985.

Very truly yours,

Les A. Clements
Supervisor District II

LAC/mm

cc: Dick Stamets
Transwestern Pipeline Co.
Harold Garcia
Florene Davidson
Ernest Padilla
Mike Williams

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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

Case 8717

~~Adopted 3-2-84~~
Side 1

RECEIVED BY
11 1985
O. C. D.
ARTESIA, OFFICE

APPLICATION FOR CLASSIFICATION AS HARDSHIP GAS WELL

Operator Corinne Grace   Contact Party Billy Miller

Address P. O. Box 1418, Carlsbad, NM 88220   Phone No. (505) 887-5581

Lease City of Carlsbad   Well No. 1   UT O   Sec. 25   TWP 22S   RGE 26E

Pool Name South Carlsbad Morrow   Minimum Rate Requested ~~1 MMCFD~~ 731 MCF

Transporter Name Transwestern   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.

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.

GENERAL INFORMATION APPLICABLE TO HARDSHIP GAS WELL CLASSIFICATION

1) Definition of Underground Waste.

> "Underground Waste as those words are generally understood in the oil and gas business, and in any event to embrace the inefficient, excessive, or improper use or dissipation of the reservoir energy, including gas energy and water drive, of any pool, and the locating, spacing, drilling, equipping, operating, or producing, of any well or wells in a manner to reduce or tend to reduce the total quantity of crude petroleum oil or natural gas ultimately recovered from any pool, and the use of inefficient underground storage of natural gas."

2) The only acceptable basis for obtaining a "hardship" classification is prevention of waste with the burden of proof solely on the applicant. The applicant must not only prove waste will occur without the "hardship" classification, but also that he has acted in a responsible and prudent manner to minimize or eliminate the problem prior to requesting this special consideration. If the subject well is classified as a "hardship" well, it will be permitted to produce at a specified minimum sustainable rate without being subject to shut-in by the purchaser due to low demand. The Division can rescind approval at any time without notice and require the operator to show cause why the classification should not be permanently rescinded if abuse of this special classification becomes apparent.

3) The minimum rate will be the minimum sustainable rate at which the well will flow. If data from historical production is insufficient to support this rate (in the opinion of the Director), or if an offset operator or purchaser objects to the requested rate, a minimum flow ("log off") test may be required. The operator may, if he desires, conduct the minimum flow test, and submit this information with his application.

4) If a minimum flow test is to be run, either at the operator's option or at the request of the Division, the offset operators, any protesting party, the purchaser and OCD will be notified of the date of the test and given the opportunity to witness, if they so desire.

5) Any interested party may review the data submitted at either the Santa Fe office or the appropriate OCD District Office.

6) The Director can approve uncontested applications administratively if, in his opinion, sufficient justification is furnished. Notice shall be given of intent to approve by attaching such notice to the regular examiner's hearing docket. Within 20 days following the date of such hearing, the affected parties will be permitted to file an objection. If no objection has been filed, the application may be approved.

7) Should a protest be filed in writing, the applicant will be permitted to either withdraw the application, or request it to be set for hearing.

8) An emergency approval, on a temporary basis for a period not to exceed 90 days, may be granted by the District Supervisor, pending filing of formal application and final action of the OCD Director. This temporary approval may be granted only if the District Supervisor is convinced waste will occur without immediate relief. If granted, the District Supervisor will notify the purchaser.

9) After a well receives a "hardship" classification, it will be retained for a period of one year unless rescinded sooner by the Division. The applicant will be required to certify annually that conditions have not changed substantially in order to continue to retain this classification.

10) Nothing here withstanding, the Division may, on its own motion, require any and all operators to show cause why approval(s) should not be rescinded if abuse is suspected or market conditions substantially change in the State of New Mexico.

11) A well classified as a "hardship well" will continue to accumulate over and under production (prorated pools). Should allowables exceed the hardship allowable assigned, the well will be permitted to produce at the higher rate, if capable of doing so, and would be treated as any other non-hardship well. Any cumulative overproduction accrued either before or after being classified "hardship" must, however, be balanced before the well can be allowed to produce at the higher rate.

CITY OF CARLSBAD #1

Sec. 25, T.22S., R.26E.

1. Each demand shut in by pipeline results in loss of flowing tubing pressure caused by fluid. At sustained flow of 1.000 MMCFD well bore is kept clean and no fluid is produced. Morrow formation wells, according to resevoir studies, should produce approximately 1.6 MMCF for each one pound of flowing tubing pressure loss. This well has drastic FTP drops each time a shut in occurs. When well was put back in production on February 1, 1985, FTP was 3900 PSIA. On February 11, 1985 FTP was still 3900 PSIA, before pipeline shut in at 10:00 a.m. On February 15, 1985 well was put back on line at 3900 PSIA shut in and FTP started dropping. On February 27, 1985 FTP was 3600 PSIA and TWP called for a shut in at 9:00 a.m. On March 6, 1985 well was put on line at 3600 PSIA. On March 10, 1985 well was again shut in by TWP with FTP at 3650 PSIA. On March 14, 1985 well was put on line. Shut in was 3800 PSIA. Well started making fluid and water tank was installed on March 18, 1985, no fluid had been made prior to this. FTP continue to drop drastically to 2950 PSIA on April 30, 1985. No shut in was demanded by TWP from March 14, 1985 to July 27, 1985 with FTP averaging around 2900 PSIA. On July 28, 1985 TWP demanded a shut in with FTP at 2850 PSIA. On August 6, 1985 well was put on line and on September 6, 1985, TWP demanded another shut in with well flowing at 2600 PSIA. Shut in pressure immediately dropped to 2500 PSIA. On September 10, 1985, TWP gave permission to put back on line. Shut in was 2500 PSIA and FTP dropped to 2300 PSIA within one hour.

After only three TWP shut in demands well started making fluid. Production according to C-115 Filings are as follows:

MONTH	MCF	OIL	WATER
Jan	712	0	0
Feb	17585	0	0
March	16224	0	0
April	15138	0	14
May	24270	14	0
June	27603	0	36
July	16210	0	54
Aug	23146	0	25

It is obvious pipeline shut in is harmful to this resevoir. Production has amounted to approximately 140 MMCF with 1600 PSIA drop in flowing tubing presssure. After every pipeline shut in the well makes fluid and FTP drops. A sustained and stabilized flow of approximatley 1.000 MMCFD is necessary to keep a well at this depth and in this formation clean and prevent waste. No resevoir data is available since no studies have been done in this particular well. "Log Off" tests have been run, and this well will not flow at a sustained rate less than 750 MCFD without loss of flowing tubing pressure. Without shut ins, and an average rate in May 1985 of 731 MCFD, the well actually went from 2950 PSIA FTP to 3550 PSIA FTP, and made 14 barrels oil and no water.

N MEXICO OIL CONSERVATION COMMISS

WELL LOCATION AND ACREAGE DEDICATION PLAT

Supersedes C-128
Effective 1-1-65

RECEIVED BY
SEP 11 1970
ARTESIA

All distances must be from the outer boundaries of the Section.

Operator	Lease	Well No.
CORINNE GRACE	CITY OF CARLSBAD	O. C. D. 1

Unit Letter	Section	Township	Range	County
O	25	22 SOUTH	26 EAST	EDDY

Actual Footage Location of Well:
660 feet from the SOUTH line and 1980 feet from the EAST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3206.1	Morrow	Wildcat	320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

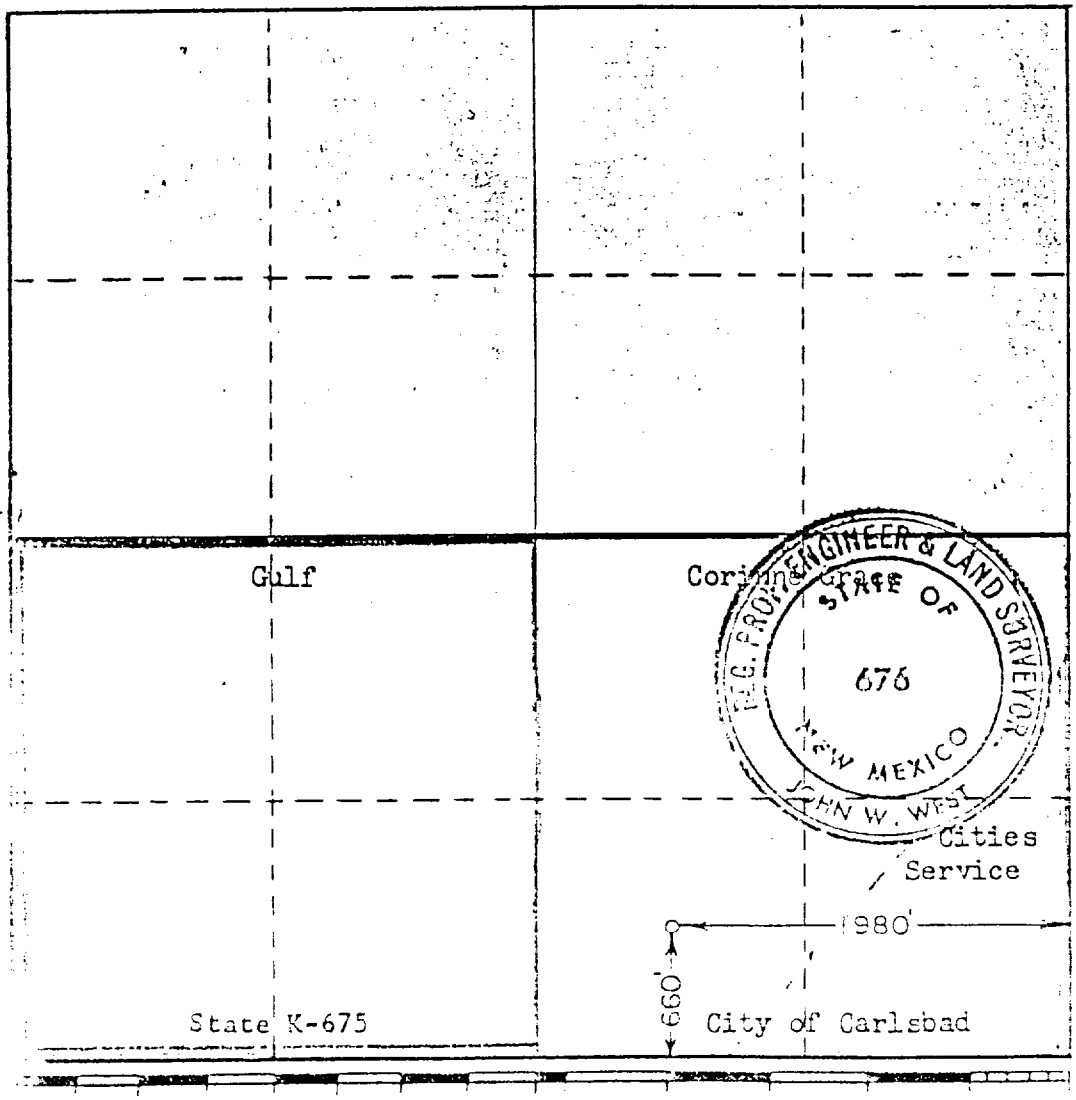
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc?

[X] Yes [ ] No If answer is "yes," type of consolidation Farmout agreements & Communitization to be filed

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name: Dennis Kellers

Position: Agent

Company: Corinne Grace

Date: August 10, 1970

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: August 10, 1970

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. 676

Corinne B. Grace
POST OFFICE BOX 1418
CARLSBAD, NEW MEXICO 88220
(505) 887-5581

September 9, 1985

New Mexico Oil Conservation Commission
Les Clements
District Director
P. O. Drawer DD
Artesia, NM 88210

Dear Sir:

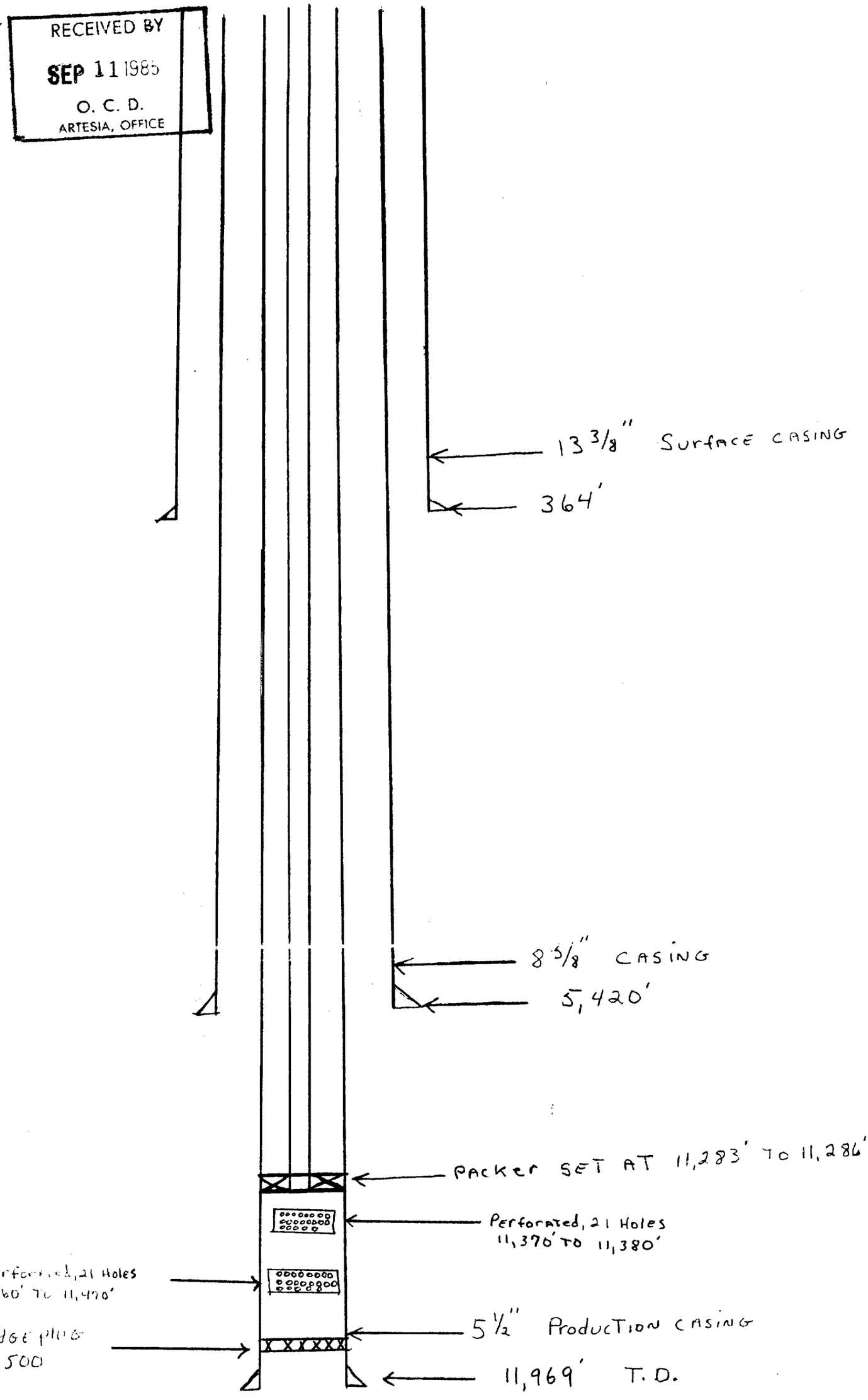
I, Billy Miller do hereby certify that all the information submitted is true and correct to the best of my knowledge. Notice has been sent to transporter and offset operators.

Very truly yours,

Billy Miller

Enclosures
BM/lp

City of Carlsbad #1



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

September 29, 1986

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mrs. Corinne B. Grace
P. O. Box 1418
Carlsbad, New Mexico 88220

Re: City of Carlsbad Well No. 1, Unit D,
Sec. 25-22S-26E, Eddy County
Order No. R-8064

Dear Mrs. Grace:

We have reviewed the information forwarded by your letter of September 23. We note several things about your situation:

1. You have not had to swab the well to restore production.

2. After the well has died from curtailment it can be restored to undiminished producing rates.

3. The well's location within the city limits makes it difficult to open the well to atmosphere to unload water.

4. The necessity of a compressor to keep the well producing further restricts your flexibility of operations; e.g., intermittent flow.

We would point out that as of August 1, the well is overproduced 210,558 Mcf, and your requested minimum flow rate is double the average allowable during the last 12-month period. We also find there is a possibility of waste through loss of recoverable reserves if the well is lost.

Considering all factors involved, Order No. R-8064 is hereby extended until October 31, 1987 and the minimum flow rate is increased to 1200 MCF/D. You should not produce the well above the flow rate approved hereby while the well remains overproduced. Violation of this limit may cause immediate rescission of this extension. Furthermore, we would like to

see some progress in reducing the overproduced status during this one-year extension.

In the event the overproduction has not been reduced by the close of this extended period, we will require evidence why you should not use intermittent flow operations which would result in reduction of the overproduction during any additional extension of the hardship classification, such as thirty days on - thirty days off, straddling months.

Yours very truly,

R. L. STAMETS,
Director

cc: Transwestern Pipeline Co.
Artesia District Office - OCD
Ernest Padilla

Vic How about sending the City a copy of our extension letter? RL

CITY OF CARLSBAD
Mayor
BOB FORREST
City Administrator
CLAUDE TABOR
A great place to visit...a wonderful place to live.

September 23, 1986

Mr. Richard L. Stamets, Director
Oil Conservation Division
State of New Mexico
P. O. Box 2088
Santa Fe, NM 87505-2088

Re: City of Carlsbad #1

Dear Mr. Stamets:

This office was recently advised by the operator of the above referenced gas well of possible production problems associated with the well, which is located within the City limits of Carlsbad.

This office is also aware that the well had been operating under a hardship classification pursuant to your rules and regulations, which allows priority access to a pipeline. The City of Carlsbad is vitally interested in having production continued from the well in as much as the City receives a royalty from the well.

The main purpose of this letter, however, is to urge that the well be produced through production equipment at a sufficient rate of flow so that venting and other discharge of gas and water into the blow down pit or the atmosphere will not pose a hazard or threat to residents of nearby dwellings.

On a previous workover of this well, fire and rescue personnel and equipment had to be alerted and placed on a standby basis to safeguard and prevent potential injury to residents and property in the area of the well.

Consequently we urge your efforts in seeing that the well continues production with minimum risk to neighboring residents.

Yours very truly,

Bob Forrest
Mayor

BF:rh

cc: Leslie Clements
District Director
Oil Conservation Division
State of New Mexico
P. O. Box DD
Artesia, NM 88210

Corinne Grace
P. O. Box 1418
Carlsbad, NM 88220

Corinne B. Grace
POST OFFICE BOX 1418
CARLSBAD, NEW MEXICO 88220
(505) 887-5581

September 23, 1986

Mr. Les Clements
New Mexico Oil Conservation Division
Drawer DD
Artesia, New Mexico 88210

Re: City of Carlsbad #1

Dear Mr. Clements:

Enclosed is a copy of the third chart which shows production from the above referenced well during the third 24 hour period of testing the well to ascertain a minimun flow rate.

You will recall that we have already provided to you copies of the previous charts. The first two charts were taken during a reduced rate of flow from the well at 730 MCFD and 1000 MCFD, respectively. At 730 MCFD the first chart shows that the well died within eighteen hours when the well loaded up with water. At this time we opened the well through the production equipment so we could gauge the tanks. The well produced 11.6 BBLs of water. The well began unloading at 1600 MCFD. The flowing rate gradually increased to 2200 MCFD to complete the 24 hour period, without moving choke setting.

When chart #2 was placed on meter the well was producing at a rate of 2300 MCFD. The flowing rate continued to increase gradually, without any choke adjustment, to 2450 MCFD. At this point the well unloaded 10 BBLs of water. We then started gradually closing the choke over a 45 minute period, until the well was flowing at the rate of 1000 MCFD. We then flowed the well at that rate for 13 hours before the well loaded up and died again. At this time we opened the well through the production equipment, and it unloaded 8 BBLs at a flowing rate of 2200 MCFD. At this point we changed the choke setting to flow the well at 1250 MCFD.

The third chart indicates that the well has stabilized at a rate of 1250 MCFD, which appears to be the minimum rate of flow.

On Friday, September 26, 1986, we will provide to you a copy of the pipeline 7 day meter run chart, which will corroborate our charts.

Should you need additional information please let us know.

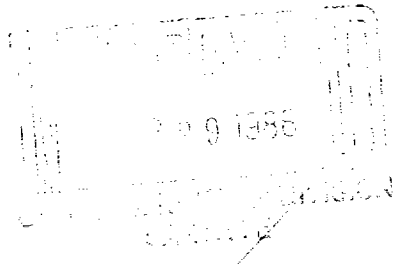
Yours truly,

Billy Miller

Enclosure
BM/fh

cc: Mr. Richard L. Staments
Mr. Victor T. Lyon
Ernest L. Padilla, Esquire

Corinne B. Grace
POST OFFICE BOX 1418
CARLSBAD, NEW MEXICO 88220
(505) 887-5581



September 25, 1986

Mr. Les Clements
New Mexico Oil Conservation Division
Drawer DD
Artesia, New Mexico 88210

Re: City of Carlsbad #1

Dear Mr. Clements:

Enclosed are the pipeline charts for the week of September 19, 1986 through September 25, 1986 we referred to in our previous letter dated September 23, 1986.

Thank you.

Very truly yours,

Billy Miller

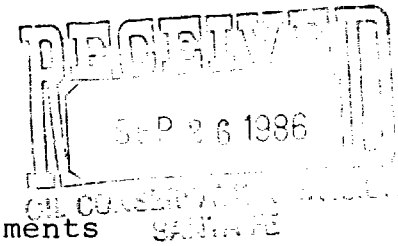
Billy Miller

Enclsoures
BM/fh

cc: Mr. Richard L. Staments
Mr. Victor T. Lyon
Ernest L. Padilla, Esquire
Mr. William G. McCoy, P.E.

Corinne B. Grace
POST OFFICE BOX 1418
CARLSBAD, NEW MEXICO 88220

(505) 887-5581



September 23, 1986

Mr. Les Clements
New Mexico Oil Conservation Division
Drawer DD
Artesia, New Mexico 88210

Re: City of Carlsbad #1

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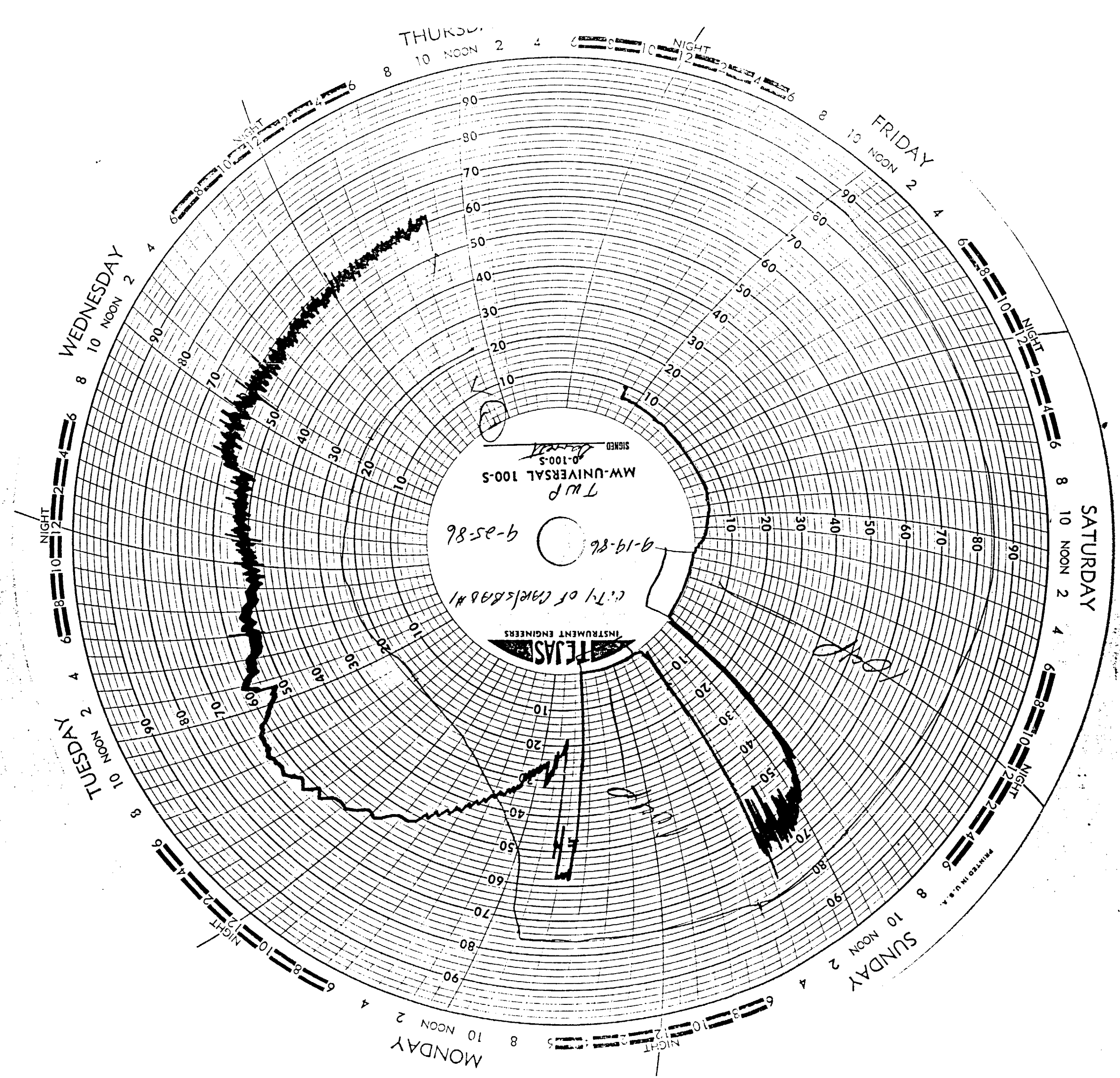
Should you need additional information please let us know.

Yours truly,

Billy Miller

Enclosure
BM/fh

cc: Mr. Richard L. Staments
Mr. Victor T. Lyon
Ernest L. Padilla, Esquire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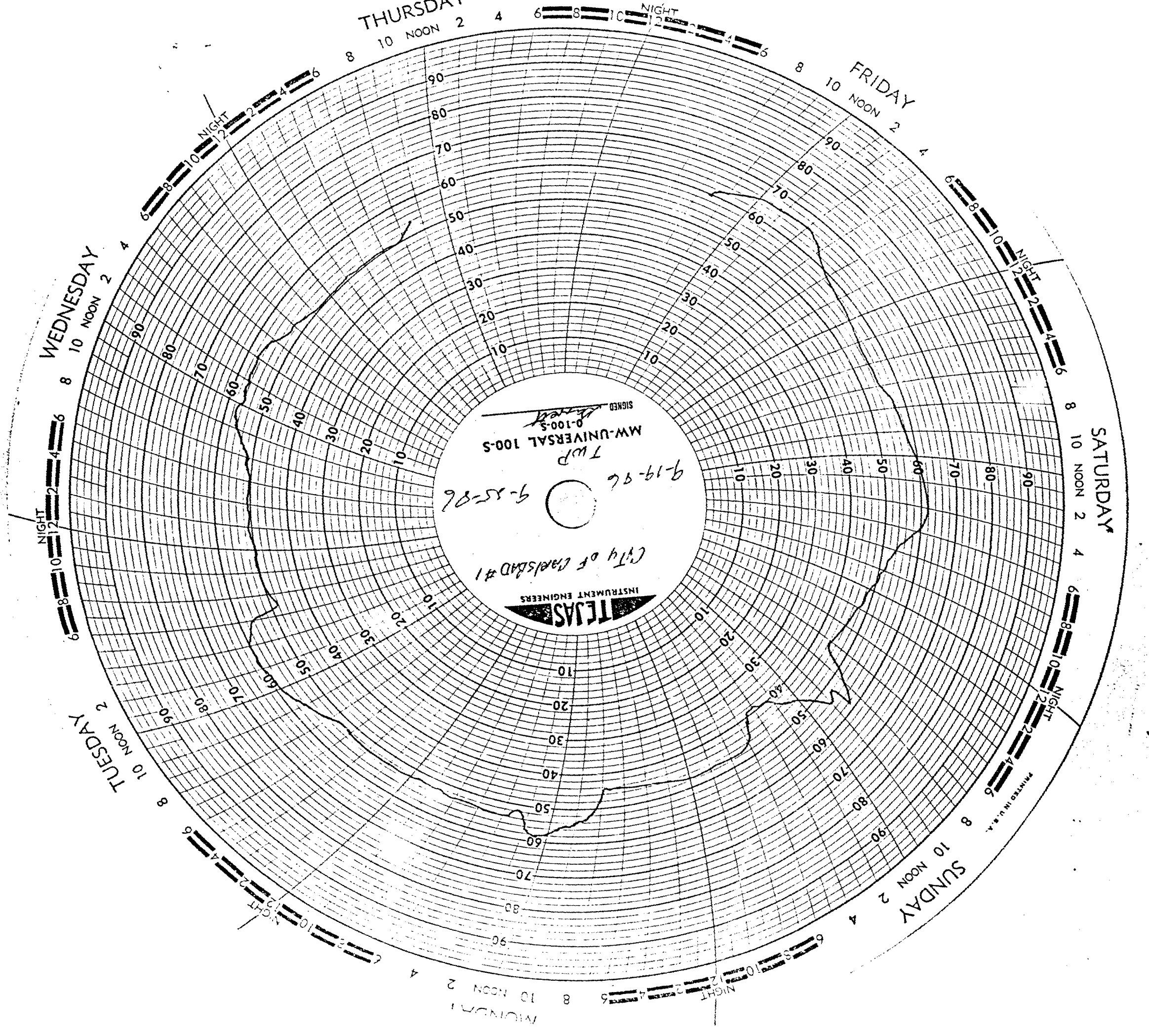
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9-25-96
City of Charlsbad #1
TCJAS
INSTRUMENT ENGINEERS
SIGNED
PRINTED IN U.S.A.

File in
Case 8717

Memo

From
VICTOR T. LYON
Chief Petroleum Engineer

To Hon. Bob Forest

Re your letter of Sept 23
Mr Stamets asked that I
send you a copy of his letter
dated Sept. 29 regarding
Grace - City of Carlsbad well.

A copy is attached. My
apology for the poor quality
of reproduction.

Best Regards
V T Lyon

Oil Conservation Division Santa Fe, New Mexico 87504-2088
827-5809

PADILLA & SNYDER
ATTORNEYS AT LAW
200 W. MARCY, SUITE 212
P.O. BOX 2523
SANTA FE, NEW MEXICO 87504-2523
(505) 988-7577

January 4, 1987

HAND-DELIVERED

Mr. Vic Lyon
Chief Engineer
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

Re: Corinne Grace City of Carlsbad No. 1 Well;
Hardship Classification

Dear Mr. Lyon:

Enclosed are copies of correspondence and data that we have received relative to the above-referenced well. The cover letter authored by Mike Butts generally states the situation with regard to the well insofar as reduction of the flowing tubing pressure is concerned.

We request your advice on this well in order to maintain the well in a production mode. We are obviously facing other dilemna of the well's current overproduction with the potential of losing the well entirely.

Please let us know if we can provide additional information to you.

Very truly yours,

Ernest L. Padilla

ELP:crk

Enclosures as stated

cc: Corinne Grace

Corinne B. Grace
POST OFFICE BOX 1418
CARLSBAD, NEW MEXICO 88220
(505) 887-5581

December 22, 1987

Mr. Ernest Padilla
Padilla & Snyder
P. O. Box 2523
Santa Fe, New Mexico 87501

Re: City of Carlsbad #1
Request for Increased
Allowable

Dear Ernie:

This letter is to confirm our telephone conversation of December 21, 1987. Mrs. Grace would like for you to try to get the allowable raised for the above mentioned well.

As you can see from the enclosed work paper, flowing tubing pressure has been steadily declining. This has been caused by increased water production. At the rates we have been flowing the well we have not been able to keep the water from loading up on the formation. If this situation continues, we will lose the well from watering out. This would be a premature curtailment of produced gas and a loss of reserves.

If there is any other information you need, please call.

Sincerely,

Mike Butts

Mike Butts

Enclosures
MB/lp

PREPARED BY | DATE pg 1

City of Carlsbad #1
Daily Pressures and Sales Volumes
(from Pumpers Reports)

	Date		Water Bbls.	1 Line Pressure	2 Tubing Pressure	3 Sales (MCF)
1987						
	October	1	2.32	150	1020	1150
		2	1.16	140	1000	1150
		3	—	180	950	1150
		4	1.16	170	1100	1200
		5	3.48	170	1100	1210
		6	—	180	1050	1170
		7	3.48	180	1110	1275
		8	—	180	1100	1250
		9	2.32	180	1100	1250
		10	—	170	1100	1200
		11	—	160	1000	1150
		12	1.16	160	1000	1160
		13	1.16	200	1000	1160
		14	2.32	200	1100	1400
		15	2.32	180	1020	1075
		16	2.32	160	1090	1110
		17	—	160	1025	1100
		18	—	170	925	1100
		19	1.16	180	1100	1250
		20	2.32	180	1075	1200
		21	3.48	180	1060	1250
		22	1.16	180	1065	1250
		23	—	180	1075	1250
		24	—	180	1050	1200
		25	2.32	180	1050	1200
		26	1.16	180	1050	1200
		27	1.16	180	1050	1200
		28	—	175	1050	1200
		29	—	180	1030	1175
		30	3.48	180	1000	1100
[illegible]		31	1.16	180	1000	1100
	November	1	—	190	960	1125
		2	2.32	180	1040	1175
		3	2.32	190	1050	1175
		4	1.16	210	1030	1180
		5	—	180	1030	1175
		6	—	175	1030	1180
		7	3.48	175	1000	1150
		8	2.32	170	1000	1175
		9	1.16	170	1000	1225
		10	1.16	180	1000	1200
		11	—	190	1000	1175

PREPARED BY | DATE pg 2

1987	Date		Water Bbls.	Line Pressure	Tubing Pressure	Sales (McF)
	November	12	1.16	190	1000	1150
		13	1.16	180	990	1125
		14	—	180	990	1250
		15	2.32	180	1000	1200
		16	3.48	160	995	1180
		17	1.16	170	985	1175
		18	—	160	990	1200
		19	—	170	980	1200
		20	—	170	975	1180
		21	1.16	180	960	1200
		22	1.16	170	970	1160
		23	1.16	180	960	1200
		24	1.16	180	960	1180
		25	—	180	970	1160
		26	—	180	970	1150
		27	4.34	180	970	1150
		28	—	160	970	1160
		29	3.48	170	960	1150
35.66		30	—	180	950	1150
	December	1	—	170	950	1175
		2	—	180	940	1150
		3	—	230	930	1150
		4	4.64	260	930	1140
		5	—	280	930	1150
		6	3.48	280	920	1150
		7	1.16	290	920	1150
		8	—	300	920	1150
		9	—	290	920	1125
		10	—	250	920	1100
		11	3.48	240	910	1150
		12	1.16	220	910	1110
		13	1.16	220	900	1150
		14	2.32	210	900	1150
		15	—	400	900	1150
		16	—	300	900	1150
		17	—	220	900	1150
		18	—	260	900	1140
		19	2.32	280	900	1150
		20	—	310	880	1175
		21	1.16	330	880	1180
20.88		22	—	460	860	1175

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

September 23, 1987

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Mr. Ernest L. Padilla
P. O. Box 2523
Santa Fe, New Mexico 87504-2523

Re: City of Carlsbad No. 1, O-25-22S-26E
Eddy County, New Mexico
Order R-8064, Case 8717

Dear Mr. Padilla:

Your letter of September 17 has been duly received and reviewed. The information submitted indicates the hardship conditions recognized in the subject order still prevail. We also note with satisfaction that over-production on the well has been reduced from 210,558 as of July 31, 1986 to 159,734 as of July 31, 1987.

The hardship classification and maximum flow rate of 1200 MCF/day are hereby extended to October 1, 1988.

Yours very truly,

VICTOR T. LYON,
Deputy Director

xc: Tranwestern PL
Les Clements, OCD Artesia
Allen Armijo, OCD Santa Fe

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

September 28, 1989

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Mr. Ernest L. Padilla
P. O. Box 2523
Santa Fe, New Mexico 87504-2523

Re: Hardship Classification - City of Carlsbad No. 1; O-25-22S-26E; Eddy County, New Mexico; South Carlsbad-Morrow Pool; Case 8717, Order No. R-8064

Dear Mr. Padilla:

Your letter dated September 25, 1989, has been received and reviewed. It appears that the well's performance continues to qualify the well for hardship classification.

The hardship classification is hereby extended to October 1, 1990, and the maximum flow rate is retained at 900 MCF/day.

Sincerely,

Victor T. Lyon

for WILLIAM J. LEMAY,
Director

WJL/VTL/dr

xc: Transwestern Pipeline
Mike Williams - Oil Conservation Division - Artesia
Cathy Meyer - Oil Conservation Division - Santa Fe

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

September 26, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Ms. Corinne Grace
c/o Ernest L. Padilla
P. O. Box 2523
Santa Fe, New Mexico 87504-2523

Re: Hardship Classification - City of Carlsbad No. 1; O-25-22S-26E
Eddy County, New Mexico
South Carlsbad-Morrow Pool;
Case 8717, Order No. R-8064

Dear Mr. Padilla:

Your letter dated September 24, 1990, has been received and reviewed. It appears that the well's performance continues to qualify the well for hardship classification.

The hardship classification is hereby extended to October 1, 1991, and the maximum flow rate is retained at 900 MCF/day.

In reviewing the application, we noted that the production volumes reported on the C-115 differ slightly from the volumes reported by the transporter on the C-111. Please contact Transwestern and rectify these reports.

Sincerely,

WILLIAM J. LEMAY,
Director

WJL/JM/dr

xc: Transwestern Pipeline
Mike Williams - Oil Conservation Division - Artesia
Jim Plewa - Oil Conservation Division - Santa Fe
Case File

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

September 27, 1991

Ms. Corrine B. Grace
c/o Mr. Ernest L. Padilla
P.O. Box 2523
Santa Fe, NM 87504-2523

RE: Hardship Gas Well Classification - City of Carlsbad Well No. 1; Unit O, Section 25, Township 22 South, Range 26 East, South Carlsbad-Morrow Pool, Eddy County, New Mexico. Case No. 8717, Order No. R-8064.

Dear Mr. Padilla:

Your letter of September 24, 1991 has been received and reviewed. It appears that the well's performance continues to qualify the well for hardship classification.

The hardship classification is hereby extended to October 1, 1992 and the maximum flow rate is retained at 900 MCF/day.

Sincerely,

William J. LeMay
Director

WJL/MES/AG

cc: Case File
Mike Williams - Oil Conservation Division, Artesia
Jim Plewa - Oil Conservation Division, Santa Fe
Transwestern Pipeline Corporation

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

October 6, 1992

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Ms. Corinne B. Grace
c/o Mr. Ernest L. Padilla
P. O. Box 2523
Santa Fe, New Mexico 87504-2523

Re: City of Carlsbad No. 1 Hardship
Gas Well
Unit O, Section 25, T-22-S,
R-26-E, Eddy County
Order No. R-8064, Case No. 8717

Dear Mr. Padilla:

Your request for continued hardship gas well classification for the subject well has been reviewed. We find that:

1. Gas production has declined from an average of 163 MCF/D for the August '90-July'91 period to 135 MCF/D for the August '91-July'92 period.

2. Water production has declined from a 70 BPD average to a 31 BPD average for the same periods.

3. The flowing tubing pressure had declined from 53 psi to 41 psi.

4. The well requires a compressor to overcome pipeline pressure.

Therefore, the hardship classification for this well is hereby extended to October 1, 1993. The maximum flow rate is retained at 900 MCF/D.

Sincerely,

WILLIAM J. LEMAY,
Director

cc: Case File
Mike Williams - OCD, Artesia
Dave Nelson - OCD, Santa Fe
Transwestern Pipeline Corporation