

JAN 26 1983



DORCHESTER EXPLORATION, INC. ✓

3300 NORTH A. BLDG. 8, SUITE 100
MIDLAND, TEXAS 79701O. C. D.
ARTESIA, OFFICE

(915) 683-1866

January 25, 1983

New Mexico Oil Conservation Commission
P.O. Drawer DD
Artesia, New Mexico 88210

Attn: Mr. Les Clements

RE: Arco Federal #1 ✓
Winchester West (Morrow) Field
Sec 34 T-19-S R-28-E
Eddy County, New Mexico

Gentlemen:

Dorchester Exploration requests that it be allowed to produce the above referenced gas well at one hundred percent (100%) of the available full well stream volume.

Recently Dorchester has had to install on-site field compression to enable the well to produce economically under existing conditions. Before compression was added the well was producing an average of 80-90 mcf of gas per day and no fluid. It would periodically log off necessitating that we shut it in for pressure buildup to unload the wellbore. When the well was unloaded, it would produce approximately two barrels of water and less than one barrel of condensate. The gas production would then be restored to an average of 190 mcfpd which would rapidly decline as the cycle repeated. Since the compressor has been added the well is averaging 279 mcfpd with .75 BCPD and 1.0 BWPD.

If the well is to be prorated the economics would change significantly and Dorchester could not justify field compression. Without the aid of this compression the well, which was declining at a fifty percent (50%) rate, will be uneconomic to produce. Dorchester is therefore, requesting permission to produce the well at one hundred percent (100%) of its capacity.

In advance, thank you for your time and consideration of this request. If you need any additional information please contact me, I will do all I can to answer your questions.

Thank you,
David M. Tilley
David M. Tilley
Production Engineer

XC: El Paso Natural Gas Co.
P.O. Box 1492
El Paso, TX 79978
attn: Bruce Van Cleave
TEG
Well File

DMT:kv

File