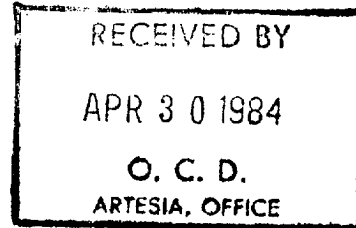


PENROC Oil Corporation

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Telephone (915) 683-1861

April 27, 1984



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

Attention Mr. Joe D. Ramey
Director

Re: Angell Ranch No. 1
B-Sec. 33, T19S, R28E
Eddy County, New Mexico

Dear Sir:

This is to request that the captioned well be placed in the "Hardship" classification in order that it will not be completely shut-in during a period of low gas demand.

If in fact the subject well is shut-in or curtailed below its ability to produce, "underground waste" will occur.

The Angell Ranch No. 1 is in the Winchester-Morrow Gas Pool. It was completed 12/15/76 in the Upper Morrow sands through a series of perforations 10,912'-10,956'. Total depth 11,248'. PBD 10,972'. Initial Potential - CAOF 3,242 MCFGPD plus 24 barrels condensate and 48 barrels water. Shut-in tubing pressure 2662#. Gas connection to El Paso sales line was 1/24/77.

Attachment I is a production decline curve plotted from date of first sales in January, 1977 through March, 1984. Included above the curve are annual produced volumes of gas. Well performance was good until approximately the middle of 1979 at which time decline of pressure coupled with water volume caused difficulty in maintaining flow. It became necessary to install a compressor in November, 1979 to keep the well on line.

We were asked to cut back on production in early 1982 and it was found that a decrease in daily volume below the fluid moving capacity afforded by formation pressure and compressor caused the well to load and attempt to die. A daily average volume of 450 MCFPD gas was produced during the months of April through July, 1982. This was down considerably from the 710 MCFGPD produced August, 1981 through February, 1982.

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