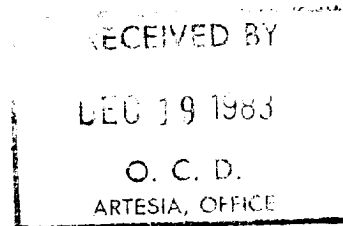


APPLICATION FOR CLASSIFICATION TO HARDSHIP WELL

Union Mead No. 3
J-Sec. 5, T-22-S, R-27-E
Carlsbad, S (Morrow) Field
Eddy Co., New Mexico



1. Due to high water production, restriction of flow would not permit loading, resulting in well dying. Attached data shows that it has been extremely difficult in the past to regain flow after well "loads up"; thus, if well can not be swabbed in, waste would occur.
2. Well history and mechanical attempts to rectify and prevent loading are presented in attached letter of November 17, 1983. Well schematic is attached.
3. Historical data which demonstrates conditions that can result in waste are attached and discussed in original letter. These data are shown on attached daily records of production and well reports from 8/19/80-8/11/83.
3 d. Average monthly operating expense for the period May through October 1983 was \$7753.
4. Estimated remaining gas and condensate reserves that would be lost if subject well was abandoned prematurely would be 679.1 MMcf and 400 barrels respectively.
5. Data shown on attached month gauge sheets. To determine current producing rate and volumes, gauge sheets for August, September and October 1983 are attached. These sheets show current well status. It is requested that well be granted a "Hardship" classification of 850 Mcf/D.
6. Decline curves, monthly gauge sheets, and well reports attached.
7. This well is located in the prorated South Carlsbad (Morrow) pool, and as of October 1983, overproduction was 55,789 Mcf.
8. Purchaser and offsetting operators will be notified of this application to obtain "Hardship" classification.