

b.) Wellbore schematic is attached and attempt to rectify loading problem discussed in well history.

3.) Conditions that can lead to waste

a.) The Morrow sand is an extremely sensitive formation that is susceptible to either damage by extraneous fluids or formation fluids if allowed to remain in contact with the wellbore interface. If a Morrow well ceases to flow and is not swabbed up immediately, formations damage will generally result.

b.) After swabbing during March 1982, well has not been swabbed again. However, frequent unloading to atmosphere has been required to maintain flow.

c.) The length of time required to return well to production is shown in well history.

d.) Average monthly operating expense for the period from August 1983 through January 1984 was \$7185. The majority of this expenditure can be attributed to saltwater disposal and compression charges. No swabbing expenditure occurred during this period.

4.) Estimated reserves that would be lost if well should be prematurely abandoned.

Gas reserves as of January 1, 1984 - 1,366,412 mcf.

Condensate reserves as of January 1, 1984 - 545 bbls.

5.) Minimum sustainable producing rate

a.) A minimum flow or complete "log off" test has not been run on the well. As noted above, it has been observed that dropping of fluids occurs rapidly with reductions of rate. Thus, to avoid swabbing or prevent damage, test was never concluded.

b.) Presented on Daily Record of Crude Production and Runs sheets attached.

6.) Map attached showing proration unit and offsetting operators.

7.) Morrow wells located in this section of the reservoir are increasing in daily water production. Remedial operations on west offsetting well was not successful in restoring productivity and can be attributed to formation damage caused during workover operations. Production logs run in the Jarvis Mead 1 (west offset) showed water encroachment to be from a Lower Morrow stringer located near the top of this designated section; thus, if remedial work was successful, gas from the lower stringers would still be lost resulting in waste.

8.) This well is located in the South Carlsbad (Morrow) field, a prorated gas pool. As of February 1984 overproductions from this well totaled 87,254 mcf.

9.) This is to certify that all information submitted with this application is true and correct to the best of my knowledge and that has been submitted to the Artesia District office with copies notice of applications being given to the transporter and purchaser and offsetting operators.