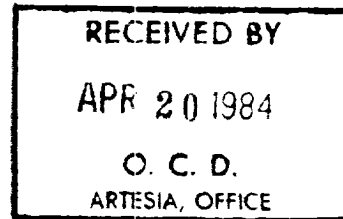




ALPHA TWENTY-ONE PRODUCTION COMPANY

April 18, 1984



Oil Conservation Division
P.O. Box 2083
Santa Fe, NM 87501

ATTN: Mr. Joe Ramey

RE: BRC Madera No. 1
Sec. 29, T-22-S, R-27-E,
Eddy County, New Mexico

Gentlemen:

Enclosed for your review and approval please find our Application for Classification as a Hardship Gas Well on the above referenced well.

To support our request for the Hardship Classification, we can examine the recent history of the well and find that after a shut-in period, production on the well drops substantially. For example, on August 15, 1982, the well was accidentally shut-in. Up to this point, the well flowed up to 31 MMCF per month. After the shut-in, we could not get the well back to flowing and on August 21, 1982, we rigged up to swab. After swabbing for seven days, twelve hours per day, (at a cost of \$372.00 per day), the well finally started flowing. The average swab was 52 BWPD. We have since averaged only 21 MMCF per month. As you can see, because of this accidental shut-in, we have lost 30% of our daily production and we are thoroughly convinced that if the well is shut back or shut-in again, we will lose more or all of our production and thus lose the well.

No attempts to rectify the water volume problem have been made due to the fact that to install smaller than 2-3/8" bore tubing or other de-watering devices such as plunger lift, rod pumping units, etc., would cause us to kill the well with water and as stated in the example above, such attempts could, in all probability, cause a loss of production or even the complete loss of the well. Another factor to consider, with the present decreased market for natural gas, is the economic feasibility of rectifying the water volume problem.

R-7662 Denied