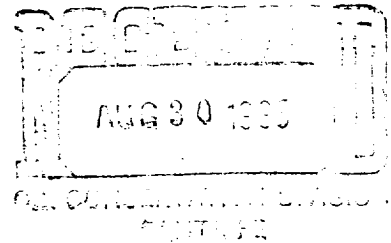


BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS



IN THE MATTER OF THE APPLICATION
OF KIMBELL OIL COMPANY OF TEXAS FOR
HARDSHIP GAS WELL CLASSIFICATION,
RIO ARriba COUNTY, NEW MEXICO

Case

APPLICATION

Comes now, KIMBELL OIL COMPANY OF TEXAS, by and through its undersigned attorneys, and hereby makes application for an order classifying its Salazar 4-E Basin-Dakota Well as a hardship well and in support thereof, would show the following:

1. Applicant is the operator of the Salazar 4-E located in Unit E, Section 34, Township 25 North, Range 6 West, Rio Arriba County, New Mexico. Production from the subject well is from the Basin-Dakota formation.

2. The purchaser or transporter of production from the subject well is El Paso Natural Gas Company.

3. Due to its over produced status, the subject well is presently shut-in. The applicant expects that further restriction of production from the subject well will result in underground waste due to the problems of water production and accumulation in the well.

4. Failure to obtain a hardship well classification could result in the substantial loss of gas reserves from the Salazar 4-E Well and the premature abandonment of the same.

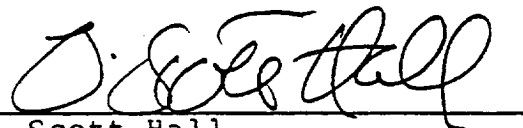
5. The granting of this application will protect correlative rights and provide for a maximum efficient recovery of hydrocarbons, thereby preventing waste.

WHEREFORE, the applicant requests that the Salazar 4-E Well be classified as a hardship well under the Division's rules and regulations, and such other and further relief as appropriate.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By



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