Supplement to
APPLICATION FOR CLASSIFICATION AS
HARDSHIP GAS WELL
Kimbell Oil Company of Texas
Salazar Well No. 4-E
N½ section 34, T.25N., R.6W., N.M.P.M.
Rio Arriba County, New Mexico
Basin Dakota Pool

1. The applicant expects that total restriction of gas production from this well over an extended period of time will result in "underground waste" (as defined by the General Information Applicable to Hardship Gas Well Classification). This expectation is based on two points discussed below.

   First, this well has produced a regular amount of water, which means that suppression of the gas flow will also suppress removal of this water from the wellbore. As shown in the Report prepared on 8-15-85, this could cause permanent "skin" damage to the formation face. The water production averaged 4.5 bbls/day or an average gas/water ratio of 2.17 bbls/MMCF. Regular production, which will prevent this water from accumulating in the wellbore, is indicated as the only preventative action against permanent formation damage.

   Secondly, the wells in the surrounding area indicate that formation damage due to water accumulation may have occurred. Two of these wells have been abandoned and may have not produced their true potential due to water damage. These wells are the Farming E No. 3-E in D-2-24N-6W and the Salazar No. 4 in H-34-25N-6W. There are two wells in the south half of section 34 which may have suffered damage due to shut-in periods in the last 5 years. These wells are the Federal Wells No. 3 and 3-E. We will attempt to prove that these wells experienced lost productivity and potential recoverable reserves in the hearing. Their performance is documented on the enclosed Production Tables.

   As discussed in the Engineering Report dated 8-15-85 (which calculated a minimum flow rate <u>to prevent</u> damage to this well), unless sufficient gas production and incumbent water production is allowed this water cannot be removed from the wellbore. The exposure to accumulated water could cause permanent formation damage and this would result in loss of gas reserves due to the reduction in permeability. Prolonged shut-in of this well could produce this result and it has already been shut-in since June 1985.

2. The well had not been damaged as of June based on the deliverability test. The potential problem of damage to this well cannot be solved by completion practices because it is just that--a "potential" problem and not an <u>actual</u> problem at this

time. Therefore, no mechanical operations are appropriate until such time as damage has actually occurred. The historical attempt to prevent the problem was full production of this well initially to remove excess frac water and formation water. This led to the overproduced status of the well. Also, El Paso Natural Gas Co. (the purchaser) was contacted when the well was shut-in to determine what preventative steps could be taken to alleviate the overproduction problem and also prevent the possibility of long-term damage to the formation by water accumulation due to lack of production. The result of those contacts was our Administrative Request in August, and upon subsequent discussions with the NMOCD staff in Santa Fe, the scheduling of the hearing and this application for temporary relief. Our motivation is to prevent damage, as being the best cure for formation damage. We seek a minimum flow rate to prevent damage and potential loss of reserves.

3. As illustrated by the attached production table and graph, initial production of this well was on May 12, 1984 and water production has varied from essentially 3.3 to 8.9 bbls/day with water ratios between 1.75 bbls/MMCF and 12.33 bbls/MMCF, with an average of 2.17 bbls/MMCF. This performance indicates that the water influx is a regular occurrence and only regular production of the gas will prevent any water accumulation. The Report dated 8-15-85 shows that gas production of about 13,550 MCF/month is required to prevent the pressure drop which would occur if the well were damaged.

4. Gas Reserves Lost:

   Estimated Original Gas-In-Place:
   Volumetric Calculation = 3.95 BCF
   BHP/Z vs. Cumulative plot = 4.45 BCF

   Recoverable Reserves (assume 85% recovery)
   3.35 to 3.78 BCF

   Preliminary decline curve projection:
   1.8 BCF

   Cumulative Recovered as of 6-85:
   586,993 MCF

   Both the materials balance and decline curve analysis are subject to error at this point, due to the limited production history and pressure tests available.

   Lost reserves are not possible to determine at this point because the well has not suffered the pressure drop and erratic productivity loss resulting from damage. However using the radial flow equation developed in the 8-15-85 Engineering Report and setting the parameters to 1 (indicating no change) except

for q (flow-rate) and pressure drop, one can see that a pressure drop of 50 psi will result in a 75% drop in flowrate. If the portion of this drop due to skin damage equals 10 psi, the reduced flow due to damage would be 20%. Also, according to Allen and Roberts in Production Operations, Vol. 2, a loss of 50% of the producibility will occur with a 5-fold decrease in permeability at the well face due to damage. Thus the resultant loss of reserves could be large with formation and pressure alterations as outlined above. During the hearing we will attempt to show the amount of loss the adjacent wells may have experienced due to water accumulation.

5. The producibility of this well is shown by the attached deliverability tests of 1984 and 1985 and the Production Table and plot. The well has had an average production rate to date of 1947 MCF/day. At present we believe that production is necessary to maintain this potential flow rate and prevent irreversible loss due to damage. But currently available tests show that abnormal producibility decline has not yet occurred.

6. A plat of the area is attached and list of adjacent wells.

7. See attached Production Tables of adjacent wells.

8. This well is overproduced by 317,158 MCF, which is 11 times over its allowable.

Form 9-331
(Rev. 5-63)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE* (See other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

5. LEASE DESIGNATION AND SERIAL NO.: SF-080136

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: Salazar

9. WELL NO.: 4-E

10. FIELD AND POOL, OR WILDCAT: Basin Dakota

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA: Sec. 34-T25N-R6W

12. COUNTY OR PARISH: Rio Arriba

13. STATE: NM

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other

b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ Other

2. NAME OF OPERATOR: Curtis J. Little

3. ADDRESS OF OPERATOR: P.O. Box 1258, Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface: 1630' FNL & 1460' FWL
At top prod. interval reported below:
At total depth: Same

API # - 30-039-23368

14. PERMIT NO. / DATE ISSUED

15. DATE SPUDDED: 1-16-84*
16. DATE T.D. REACHED: 1/27/84*
17. DATE COMPL. (Ready to prod.): 2/21/84*
18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*: 6378' GR
19. ELEV. CASINGHEAD: 6378

20. TOTAL DEPTH, MD & TVD: 6753'
21. PLUG, BACK T.D., MD & TVD: 6717'
22. IF MULTIPLE COMPL., HOW MANY*:
23. INTERVALS DRILLED BY: → ROTARY TOOLS: 0-6753 CABLE TOOLS:

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*: 6422-6672 KB Dakota

25. WAS DIRECTIONAL SURVEY MADE: No

26. TYPE ELECTRIC AND OTHER LOGS RUN: IES, GR-CNL-Density

27. WAS WELL CORED: No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	28	222 KB	12-1/4"	145 sx. (171 cuft. slurry)	none
4-1/2"	11.6	6759	7-7/8"	DV Tool 4574, 600 sx. Poz (774 cuft.) Bond top 5458 KB. 2nd Stage w/375 sx. & 75 sx. Class B (1891 cuft.) Top cmt. 1300 KB	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8	6548	

31. PERFORATION RECORD (Interval, size and number)

6632-72 KB, 21 holes, 0.33" dia. 24" apart.
6548-76 KB, 6514-28, 6432-36, 6422-26, 29 holes, 0.33" dia. 24" apart.

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
6632-72 Acidize	1200 gals. HCL, 41500 lbs. sd., 62930 gals. gel, BDP 2450 psi, ATP 3200 psi, AIR 28 BPM, ISIP 2100 psi. 6576-6422 Acidize 1700 gal. HCL, 60000 lbs. sd., 93780 gals. gel, BDP 1900 psi ATP 3400 psi, AIR 31 BPM, ISIP 2550 psi

33.* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)
2/21/84	Flowing	SI

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD →	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
2/21/84	3	3/4"		Trace	623	Trace(Frac	

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE →	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
391	787		Trace	4984	0	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.): To be sold

TEST WITNESSED BY: Joe Elledge

35. LIST OF ATTACHMENTS: None

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED: Curtis J. Little TITLE: Operator DATE: 2/22/84

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "*Sacks Cement*": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES:
SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Ojo Alamo	1450	1522	Probably Water

38. GEOLOGIC MARKERS

NAME	TOP MEAS. DEPTH	TOP TRUE VERT. DEPTH
Ojo Alamo	1450	Same
Kirtland	1522	Same
Fruitland	2033	Same
Pictured Cliffs	2158	Same
Lewis	2252	Same
Cliff House	3713	Same
Menefee	3761	Same
Point Lookout	4368	Same
Mancos	4508	Same
Gallup	5502	Same
Greenhorn	6310	Same
Graneros Shale	6371	Same
Graneros Sand	6411	Same
Dakota	6512	Same

U.S. GOVERNMENT PRINTING OFFICE: 1963—O—683636
GPO 837-497

871-233

GEARHART

COMPENSATED DENSITY COMPENSATED NEUTRON LOG

FILING NO.

COMPANY CURTIS J. LITTLE

WELL SALAZAR NO.4-R

FIELD BASIN DAKOTA

COUNTY RIO ARRIBA STATE NEW MEXICO

LOCATION: 1630'FNL x 1460'FWL

SEC 34 TWP 25N RGE 6W

Other Services: IEL/GR

Permanent Datum GROUND LEVEL Elev. 6378

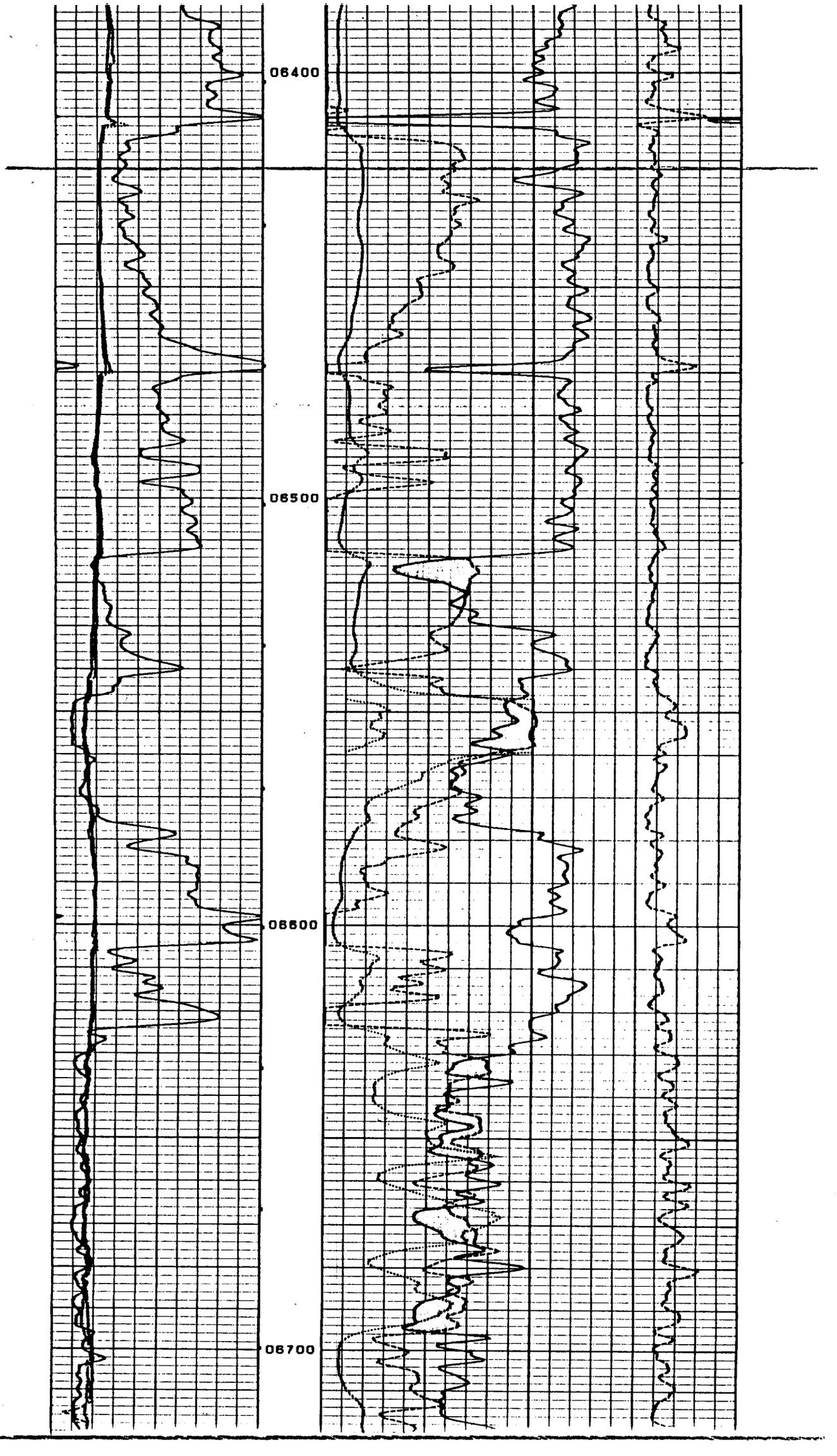
Log Measured from K.B. 13 Ft. Above Perm. Datum

Drilling Measured from K.B.

Elev.: K.B. 6391 D.F. 6390 G.L. 6378

Date	1-27-84			
Run No.	ONE			
Depth – Driller	6753			
Depth-Logger	6753			
Bottom logged interval	6752			
Top logged interval	6150			
Type fluid in hole	GEL			
Density / Visc.	9.0 / 60			
pH / Fluid Loss	7.5 / 7			
Max rec. temp., deg F.	180 °F	°F	°F	°F
Source of Samples	Mud Pit			
Rm @ Meas. Temp.	1.8 @ 74 °F	@ °F	@ °F	@ °F
Rmf @ Meas. Temp.	1.4 @ 69 °F	@ °F	@ °F	@ °F
Rmc @ Meas. Temp.	1.2 @ 68 °F	@ °F	@ °F	@ °F
Source Rmf / Source Rmc	M / M			
Time: End Circulation	20:00			
Time: Logger on Bottom	02:45			
Recorded By	Mease			
Witnessed By	Mr.Curtis	Little		

Run No.	Bore-Hole Record: Bit	From	To	Casing Record: Size	Wgt.	From	To
One	12¼	Surface	222	8 5/8	---	Surface	222
One	7 7/8	222	6753				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06500
06600
06700

GEARHART

INDUCTION ELECTRICAL LOG

FILING NO.

COMPANY CURTIS J. LITTLE

WELL SALAZAR NO.4-R

FIELD BASIN DAKOTA

COUNTY RIO ARRIBA STATE NEW MEXICO

LOCATION: 1630'FNL x 1460'FWL

SEC 34 TWP 25N RGE 6W

Other Services

CDL/CNL/GR

Permanent Datum GROUND LEVEL Elev. 6378

Log Measured from K.B., 13 Ft. Above Permanent Datum

Drilling Measured from K.B.

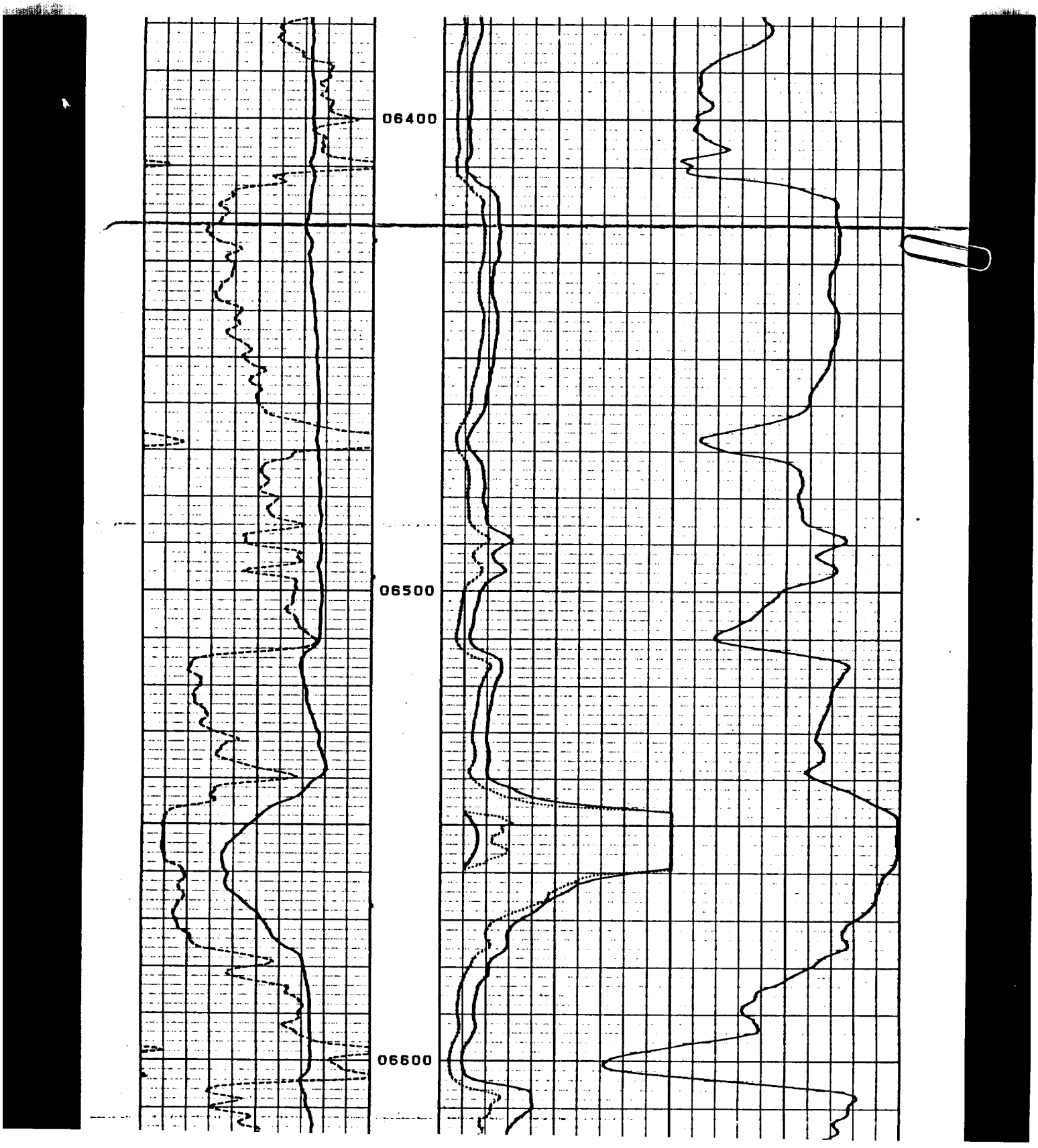
Elevations:

KB 6391

DF 6390

GL 6378

Date	1-27-84			
Run No.	ONE			
Depth-Driller	6753			
Depth-Logger	6753			
Bottom Logged Interval	6752			
Top Logged Interval	211			
Casing-Driller	8 5/8 @ 222	@	@	@
Casing-Logger	211			
Bit Size	7 7/8			
Type Fluid in Hole	GEL			
Density and Viscosity	9.0 | 60			
pH and Fluid Loss	7.5 | 7 cc	cc	cc	cc
Source of Sample	Mud Pit			
Rm @ Meas. Temp.	1.8 @ 74 °F	@ °F	@ °F	@ °F
Rmf @ Meas. Temp.	1.4 @ 69 °F	@ °F	@ °F	@ °F
Rmc @ Meas. Temp.	1.2 @ 68 °F	@ °F	@ °F	@ °F
Source at Rmf and Rmc	M | M			
Rm @ BHT	----@ 180 °F	@ °F	@ °F	@ °F
Time: End Circulation	20:00			
Time: Logger on Bottom	02:47			
Max. Rec. Temp. Deg. F.	180 °F	°F	°F	°F
Equip. No. and Location	7607 | 29-062			
Recorded By	Mease			
Witnessed By	Mr.Curtis Little			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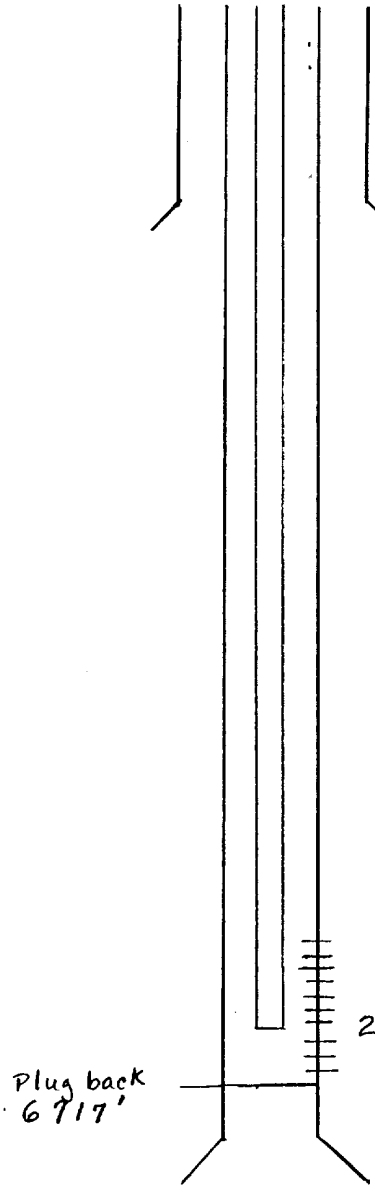
Kimbell Oil of TX | Well-bore Sketch



8 5/8" set at 222'
Cement 145 sacks

Perforations 21 holes 6632-72 24" apart
29 holes 6422-26, 6432-36,
6514-28, 6548-74
24" apart

2 3/8" Tubing set at 6548'

Plug back
6717'

4 1/2" set at 6759'
Cement 1475 sacks

PRODUCTION TABLE

WELL NAME Salazar Federal 4-E

WELL LOCATION F-34-25N-6W

Perfs 6422-6672

Completion Date 2-21-84

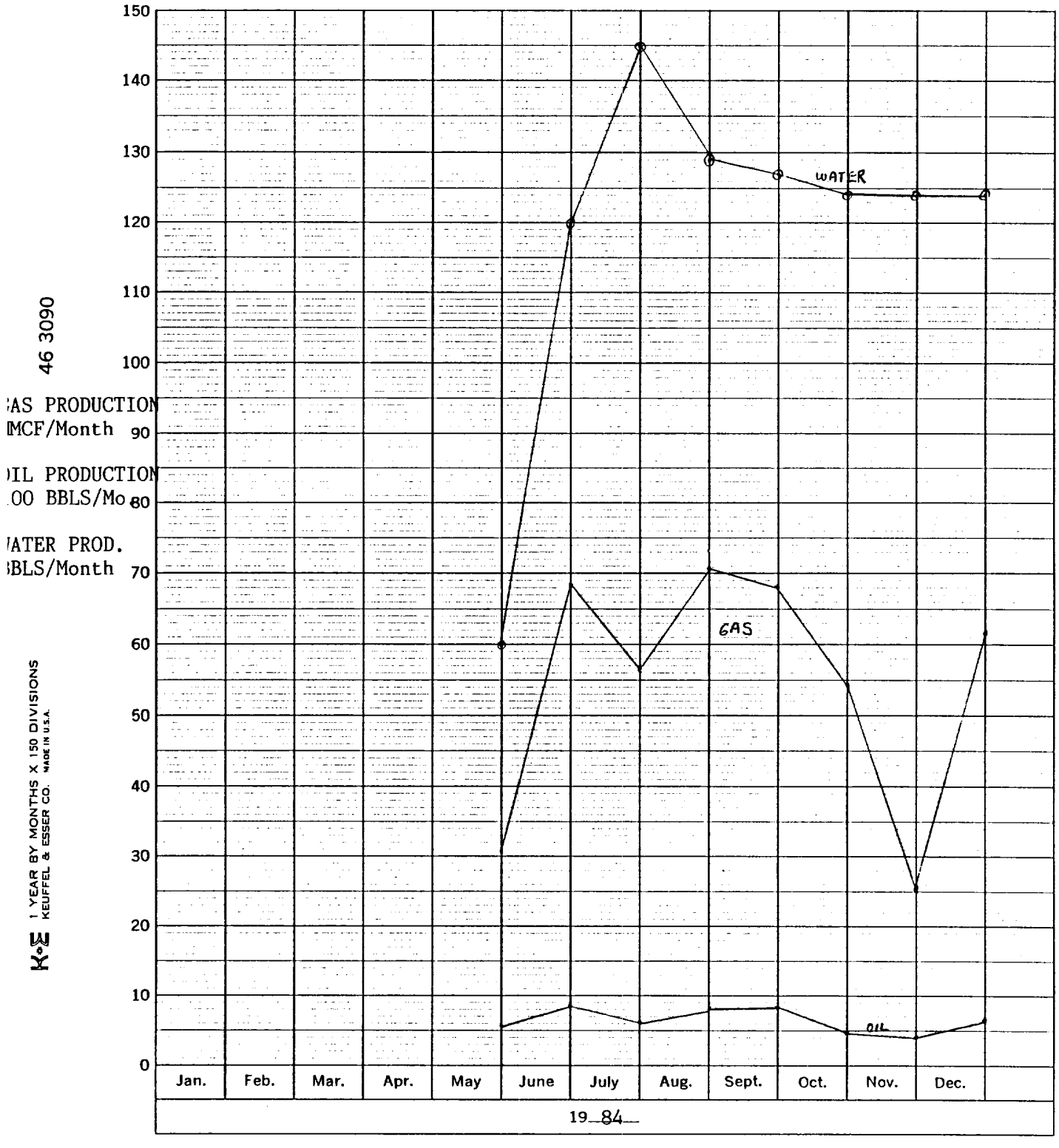
Initial Potential 4984 MCF/day

Initial Pressure CP= 787

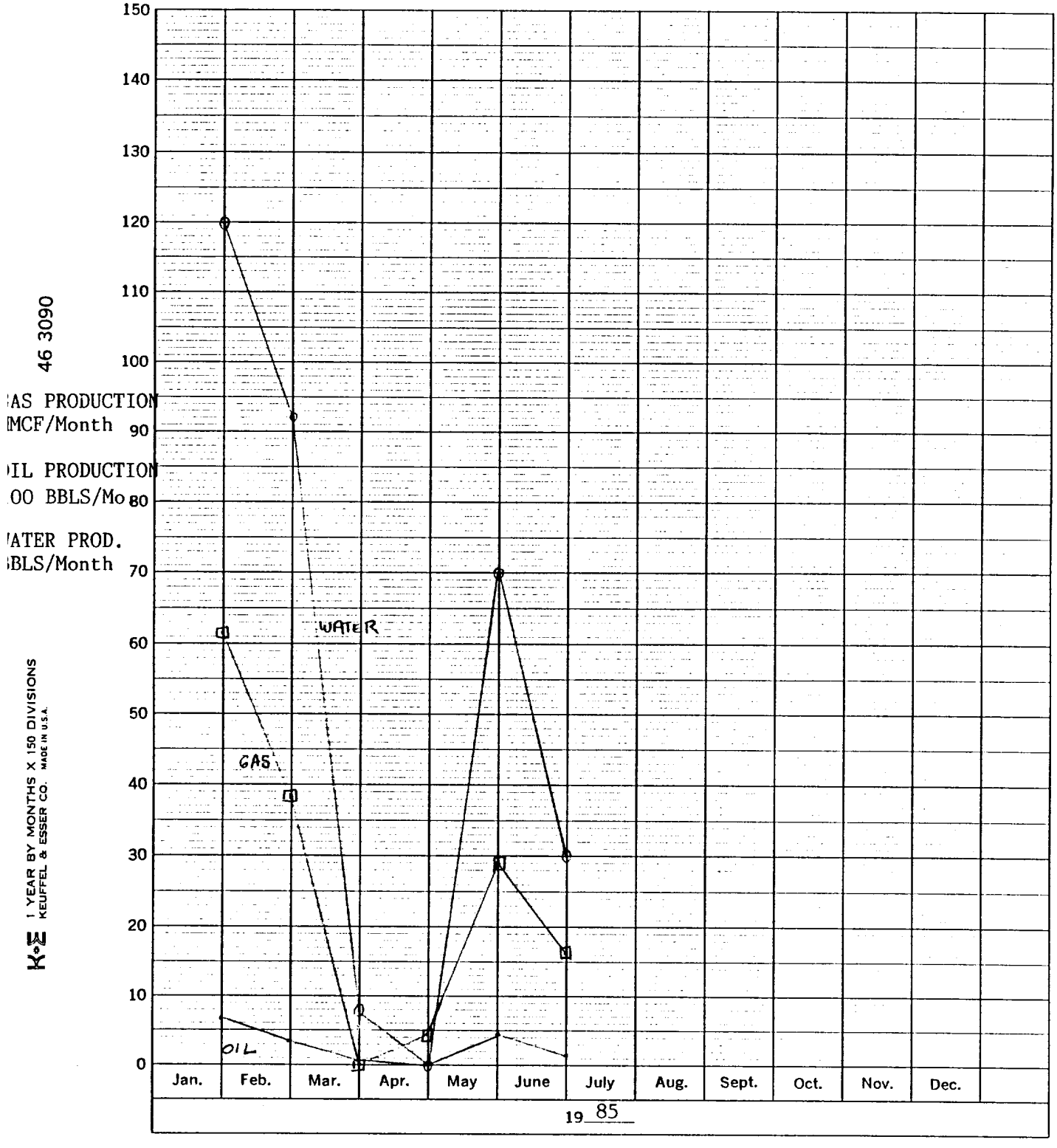
Initial GOR/Gravity -----

ICP	DATE	PRODUCTION DAYS / SHUT-IN		OIL /H_2O PRODUCTION BBLS		RATE /Day WATER	CUMULATIVE WATER BBLS	GAS PRODUCTION MCF	RATE /Day	CUMULATIVE MCF
	1984									
	5-84	16	15	592	60	3.75	60	30623	1914	30623
	6-84	30	0	886	120	4.00	180	68512	2284	99135
-27-84	7-84	24	7	627	145	6.04	325	56585	2358	155720
337	8-84	31	0	817	129	4.16	454	70303	2268	226023
	9-84	30	0	826	127	4.23	581	68117	2271	294140
	10-84	31	0	494	124	4.00	705	54225	1749	348365
	11-84	14	16	410	124	8.86	829	26494	1892	374859
	12-84	31	0	663	124	4.00	953	61491	1984	436350
	1985									
	1-85	31	0	666	120	3.87	1073	61697	1990	498047
	2-85	23	5	340	92	4.00	1165	38233	1662	536280
	3-85	1	30	54	8	8.00	1173	649	649	536929
	4-85	2	28	0	0	0.00	1173	4696	2348	541625
	5-85	14	17	425	70	5.00	1243	29085	2078	570710
-11-85	6-85	9	21	143	30	3.33	1273	16283	1809	586993
322	7-85	0	31	0	0	0.00	1273	0	0	586993
	8-85	0	31	0	0	0.00	1273	0	0	586993

Basin Dakota
Kimbell Oil Co. of TX
Salazar Federal Well No. 4-E
F-34-25N-6W
Rio Arriba, New Mexico
Date Production began: May 1984



Salazar Federal Well No. 4-E
Continued



NEW MEXICO OIL CONSERVATION COMMISSION

WELL DELIVERABILITY TEST REPORT FOR 19 84

Form C122-A
Revised 1-1-65

POOL NAME	POOL SLOPE	FORMATION	COUNTY
Basin Dakota	n= .75	Dakota	Rio Arriba

COMPANY			WELL NAME AND NUMBER		
Sims Oil Company, Inc.			Salazar 4E		
UNIT LETTER	SECTION	TOWNSHIP	RANGE	PURCHASING PIPELINE	
F	34	25N	6W	El Paso Natural Gas Co.	
CASING O.D. - INCHES	CASING I.D. - INCHES	SET AT DEPTH - FEET	TUBING O.D. - INCHES	TUBING I.D. - INCHES	TOP - TUBING PERF. - FEET
4.500	4.000	6759	2.375	1.995	6422
GAS PAY ZONE		WELL PRODUCING THRU		GAS GRAVITY	GRAVITY X LENGTH
FROM 6422 TO 6672		CASING	TUBING X	.661	4245
DATE OF FLOW TEST			DATE SHUT-IN PRESSURE MEASURED		
FROM 7-12-84 TO 7-20-84			7-27-84		

PRESSURE DATA - ALL PRESSURES IN PSIA

(a) Flowing Casing Pressure (DWt)	(b) Flowing Tubing Pressure (DWt)	(c) Flowing Meter Pressure (DWt)	(d) Flow Chart Static Reading	(e) Meter Error (Item c - Item d)	(f) Friction Loss (a - c) or (b - c)	(g) Average Meter Pressure (Integr.)
812	637	322	317	+5	315	311
(h) Corrected Meter Pressure (g + e)	**(i) Avg. Wellhead Press. P_t = (h + f)**	**(j) Shut-In Casing Pressure (DWt)**	**(k) Shut-In Tubing Pressure (DWt)**	**(l) P_c = higher value of (j) or (k)**	**(m) Del. Pressure P_d = 50 %P_c**	**(n) Separator or Dehydrator Pr. (DWt) for critical flow only**
316	637	1337	1337	1337	669	635

FLOW RATE CORRECTION (METER ERROR)

Integrated Volume - MCF/D	Quotient of $\frac{\text{Item c}}{\text{Item d}}$	$\sqrt{\frac{\text{Item c}}{\text{Item d}}}$	Corrected Volume
2295	1.0158	1.0079	Q = 2313 MCF/D

WORKING PRESSURE CALCULATION

$(1-e^{-s})$	$(F_c Q_m)^2 (1000)$	$R^2 = (1-e^{-s})(F_c Q_m)^2(1000)$	P_t^2	$P_w^2 = P_t^2 + R^2$	$P_w = \sqrt{P_w^2}$
.266	472,923	125,798	405,769	531,567	729

DELIVERABILITY CALCULATION

$$D = Q\left[\frac{P_c^2 - P_d^2}{P_c^2 - P_w^2}\right]^n = 2313\left[\left(\frac{1,340,008}{1,256,128}\right)^n = (1.0667)^n = 1.0496\right] = 2428 \text{ MCF/D}$$

REMARKS:

This well has critical flow -
Use FTP (b) for P_t (i).

SUMMARY

Item h	316	Psia
P_c	1337	Psia
Q	2313	MCF/D
P_w	729	Psia
P_d	669	Psia
D	2428	MCF/D

Company SIMS OIL COMPANY, INC.
By E. A. Clement
Title Prod. Supt.
Witnessed By
Company

NEW MEXICO OIL CONSERVATION COMMISSION
WELL DELIVERABILITY TEST REPORT FOR 19 85

Form C122-A
Revised 1-1-66

POOL NAME	POOL SLOPE	FORMATION	COUNTY
Basin Dakota	n= .75	Dakota	Rio Arriba

Meter No. 94-932

COMPANY			WELL NAME AND NUMBER		
Kimbell Oil Company of Texas			Salazar No. 4E		
UNIT LETTER	SECTION	TOWNSHIP	RANGE	PURCHASING PIPELINE	
F	34	25N	6W	El Paso Natural Gas Co.	
CASING O.D. - INCHES	CASING I.D. - INCHES	SET AT DEPTH - FEET	TUBING O.D - INCHES	TUBING I.D - INCHES	TOP - TUBING PERF. - FEET
4.500	4.000	6759	2.375	1.995	6422
GAS PAY ZONE		WELL PRODUCING THRU		GAS GRAVITY	GRAVITY X LENGTH
FROM 6422 TO 6672		CASING	TUBING X	.704	4521
DATE OF FLOW TEST			DATE SHUT-IN PRESSURE MEASURED		
FROM 5/27/85 TO 6/4/85			6/12/85		

PRESSURE DATA - ALL PRESSURES IN PSIA

(a) Flowing Casing Pressure (DWt)	(b) Flowing Tubing Pressure (DWt)	(c) Flowing Meter Pressure (DWt)	(d) Flow Chart Static Reading	(e) Meter Error (Item c - Item d)	(f) Friction Loss (a - c) or (b - c)	(g) Average Meter Pressure (Integr.)
932	787	262	256	+6	525	259
(h) Corrected Meter Pressure (g + e)	**(i) Avg. Wellhead Press. P_t = (h + f)**	**(j) Shut-in Casing Pressure (DWt)**	**(k) Shut-in Tubing Pressure (DWt)**	**(l) P_c = higher value of (j) or (k)**	**(m) Del. Pressure P_d = 40 %P_c**	**(n) Separator or Dehydrator Pr. (DWt) for critical flow only**
265	787	1322	1322	1322	529	784

FLOW RATE CORRECTION (METER ERROR)

Integrated Volume - MCF/D	Quotient of $\frac{\text{Item c}}{\text{Item d}}$	$\sqrt{\frac{\text{Item c}}{\text{Item d}}}$	Corrected Volume
2035	1.0234	1.0116	Q = 2059 MCF/D

WORKING PRESSURE CALCULATION

$(1-e^{-s})$	$(F_c Q_m)^2 (1000)$	$R^2 = (1-e^{-s})(F_c Q_m)^2(1000)$	P_t^2	$P_w^2 = P_t^2 + R^2$	$P_w = \sqrt{P_w^2}$
.280	374,759	104,933	619,369	724,302	851

DELIVERABILITY CALCULATION

$$D = Q\left[\frac{P_c^2 - P_d^2}{P_c^2 - P_w^2}\right]^n = 2059\left[\left(\frac{1,467,843}{1,020,483}\right)^n = (1.4341)^n = 1.3105\right] = 2698 \text{ MCF/D}$$

REMARKS:

This well has critical flow -
Use FTP (b) for P_t (i)

SUMMARY

Item h	265	Psia
P_c	1322	Psia
Q	2059	MCF/D
P_w	851	Psia
P_d	529	Psia
D	2692	MCF/D

Company Kimbell Oil Company of Texas
By E. A. Clement
Title Prod. Supt.
Witnessed By
Company

$$G = 43560\,(\phi)(1-Sw)\,\frac{(BHP/z)}{T_R}\,(35.3)\,(A)\,(h)$$

G = original gas in place, cf
ϕ = porosity
Sw = water saturation
BHP/z = initial Bottom hole Pressure / z, psi
TR = temperature Reservoir, °R
A = Area of drainage, acres
h = thickness, feet

Given:

BHP/z_{est} = 1900 psi
T_R = 640 °R
h = 90 ft

Assume:

ϕ = 10% (field avg)
Sw = 40% (" ")
A = 160 acres

Solution:

$$G = 43560(.10)(1-.40)\frac{(1900)}{640}(35.3)(160)(90)$$

$$= 3,944,188,420 \text{ cf}$$

or 3.95 Bcf

Salazar Well 4-E
F-34-25N-6W
Date SICP BHP/Z Cum Prod
7-22-84 1339 1792 155720 Mcf
6-11-85 1324 1771 176421 Mcf
projected ult Same Slope BHP/Z for 3 cd
600 3000 000
Projected Reserves in Place
4.45 Bcf
Recoverable - Estimate 85%
3.78 Bcf
BHP/Z
psia
2000
1800
1600
1400
1200
1000
800
600
400
200
1.0
2.0
3.0
4.0
5.0
6.0
7.0
DIETZGEN CORPORATION
MADE IN U.S.A.
NO. 340-10 DIETZGEN GRAPH PAPER
10 X 10 PER INCH

PRODUCTION TABLE

WELL NAME Farming E No. 3-E

WELL LOCATION D-2-24N-6W

Perfs

Completion Date 1981

Initial Potential

Initial Pressure

Initial GOR/Gravity

SICP psia	DATE	PRODUCTION DAYS / SHUT-IN	OIL/H_2O PRODUCTION BBLS		RATE /Day WATER	CUMULATIVE WATER BBLS	GAS PRODUCTION MCF	RATE /Day	CUMULATIVE MCF
	1981								
	03-81		375	0	0.00	0	32192		32192
4-24-81	04-81		333	0	0.00	0	38024		70216
1445	05-81		240	5750		5750	37108		107324
	06-81		144	7750		13500	21278		128602
	07-81		50	6500		20000	5819		134421
	08-81	0 31	0	0	0.00	20000	0	0.00	134421
	09-81	0 30	0	0	0.00	20000	0	0.00	134421
	10-81	0 31	0	0	0.00	20000	0	0.00	134421
	11-81	0 30	0	0	0.00	20000	0	0.00	134421
	12-81	0 31	0	0	0.00	20000	0	0.00	134421
	total		1142	20000			134421		
	1982								
	01-82	0 31	0	0	0.00	20000	0	0.00	134421
	02-82	0 28	0	0	0.00	20000	0	0.00	134421
	03-82	0 31	0	0	0.00	20000	0	0.00	134421
	04-82	0 30	0	0	0.00	20000	0	0.00	134421
	05-82		0	0	0.00	20000	35		134456
	06-82	0 30	0	0	0.00	20000	0	0.00	134456
	Zone Abandoned								

PRODUCTION TABLE

WELL NAME Salazar Well No. 4 — Completion Date _____

WELL LOCATION H-34-25N-6W — Initial Potential _____

Perfs _____ — Initial Pressure _____

_____ — Initial GOR/Gravity _____

SICP psia	DATE	PRODUCTION DAYS / SHUT-IN ~~estimated~~		OIL/H_2O PRODUCTION BBLS		RATE /Day WATER	CUMULATIVE WATER BBLS	GAS PRODUCTION MCF	RATE /Day	CUMULATIVE MCF
1065	1965	358	7	611	0	0.00	0	94245	263	742389
	1970	365	0	270	0	0.00	0	42348	116	1046600
1-15-74	1973	365	0	146	0	0.00	0	28568	78	1148050
827	1974	358	7	114	351	.98	351	18662	52	1166712
	1975	365	0	33	358	.98	709	24036	66	1190748
	1976	365	0	105	359	.98	1068	27918	76	1218666
	1977	365	0	63	343	.94	1411	21953	60	1240619
5-29-79	1978	365	0	76	348	.95	1759	25159	69	1265778
612	1979	358	7	50	346	.97	2105	15083	42	1280861
	1980	365	0	81	369	1.01	2474	17114	47	1297975
	1981	255	110	105	250	.98	2724	14134	55	1312109
	1982	80	285	48	164	2.05	2888	2415	30	1314524
	1983	33	332	183	17	.52	2905	1630	49	1316154
	1984	0	365	0	0	0.00	2905	0	0	1316154
	Zone	abandoned								

PRODUCTION TABLE

WELL NAME Federal Well No. 3

WELL LOCATION L-34-25N-6W

Perfs 6518-6662

Completion Date 11-1-63

Initial Potential 6152 MCF/Day

Initial Pressure SICP = 2322

Initial GOR/Gravity

SICP psia	DATE	PRODUCTION DAYS / SHUT-IN estimated		OIL/H_2O PRODUCTION BBLS		RATE /Day WATER	CUMULATIVE WATER BBLS	GAS PRODUCTION MCF	RATE /Day	CUMULATIVE MCF
	1965	365	0	4350	0	0.00	0	182813	501	434736
.512	1970	335	30	2104	0	0.00	0	138997	415	1643882
.262	1973	358	7	2304	0	0.00	0	265392	741	2647309
	1974	365	0	2446	0	0.00	0	230591	632	2608809
:092 (75)	1976	365	0	1918	0	0.00	0	191954	526	3007041
	1977	365	0	1713	0	0.00	0	190858	523	3197890
	1978	365	0	1541	353	.97	353	181755	498	3379654
?-5-81	1980	365	0	1194	368	1.01	1117	160931	441	3698353
1037										
5-12-81	1981	314	51	1372	307	.98	1424	129774	414	3828127
992	1982	231	134	1209	267	1.16	1691	96681	419	3924808
7-12-83	1983	150	215	838	127	.85	1818	75708	505	4000517
1132	1984	115	250	555	163	1.42	1981	60147	523	4060663
	1985	69	51	475	105	1.52	2086	39034	566	4099697
	(through April)									

PRODUCTION TABLE

WELL NAME Federal Well No. 3-E

WELL LOCATION I-34-2N-6W

Perfs 6509-6720

Completion Date 6-9-80

Initial Potential 2227 MCF/Day

Initial Pressure CP= 385

Initial GOR/Gravity

SICP psia	DATE	PRODUCTION DAYS / SHUT-IN ~~estimated~~		OIL/H_2O PRODUCTION BBLS		RATE /Day WATER	CUMULATIVE WATER BBLS	GAS PRODUCTION MCF	RATE /Day	CUMULATIVE MCF
12-5-80 1312	1980	130	23	473	216	1.66	216	59500	458	59500
5-13-82	1981	305	60	568	111	.36	327	115893	380	175393
312	1982	250	115	576	134	.54	461	79921	320	255314
10-13-83 1132	1983	140	225	374	81	.58	542	50768	363	306082
5-5-84	1984	165	250	425	120	.73	662	56757	344	362839
1112	1985 (through April)	77	43	109	51	.66	713	28946	376	391785

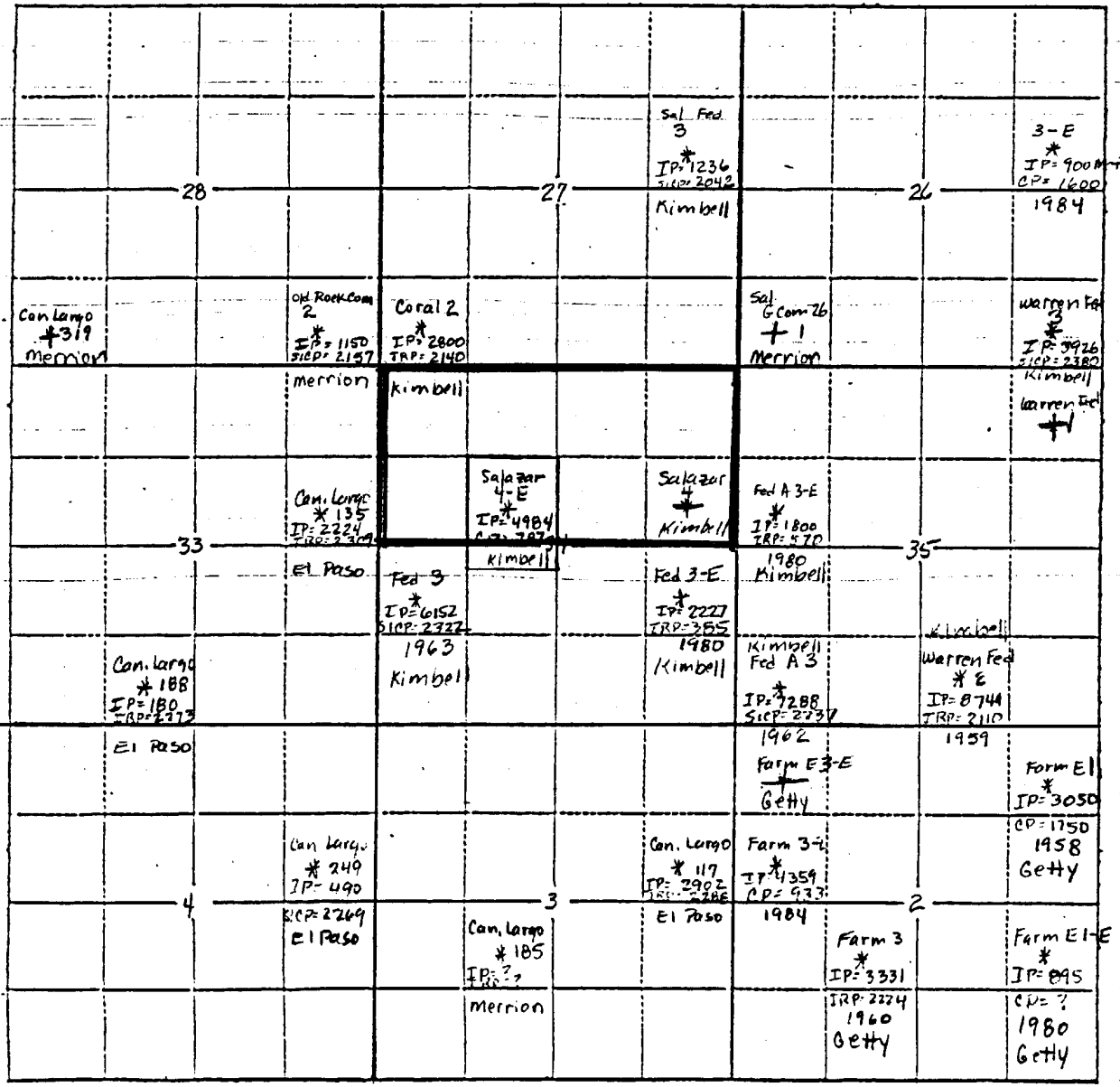
LIST OF ADJACENT WELLS/OPERATORS

Operator	Well Name	Well Location	Proration Unit
Merrion (abd)	Sal. G. Com 26 1	m-26-25N-6W	W½ section 26
Kimbell	Sal. Fed. 3	h-27-25N-6W	E½ section 27
Kimbell	Coral 2	m-27-25N-6W	W½ section 27
Merrion	Old Rock Com 2	p-28-25N-6W	E½ section 28
El Paso	Can. Largo Ut 135	h-33-25N-6W	E½ section 33
Kimbell	Federal 3 Federal 3-E	1-34-25N-6W i-34-25N-6W	S½ section 34
Kimbell	Federal A 3 Federal A 3-E	m-35-25N-6W e-35-25N-6W	W½ section 25

Salazar Well 4-E

1630N 1460W Section 34

Township 25 N, Range 6W, _____ Meridian, _____



Dakota Wells

Notes

24N-6W

D-2 Farming E3-E Abd Getty
Cum gas: 134456 Mcf water = 20,000 bbls
oil = 1142 bbls

25N-6W

M-26 Sal. G. Com 26 #1 Merrion
Abd Cum gas: 809686 Mcf water = 288 bbls
oil = 730 bbls

M-28 Canyon Largo 319 Abd Merrion
cum gas: 205241 Mcf Cum water 22 bbls
oil = 23169 bbls

H-34 Salazar 4 DK Abd Merrion/Kim.
cum gas: 1316154 Mcf cum water = 2905
oil = 1040A bbls

A-35 Warren Fed 1 Abd Estate of K, Kimnell
Cum gas: 33302 Mcf Cum water = 0
Cum oil = 104 bbls.