

Mr. Richard Stamets, Director
NM Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501

August 20, 1985

Dear Mr. Stamets:

The purpose of this letter is to request an Administrative Order granting Kimbell Oil Co. of Texas approval to produce the Salazar Well No. 4-E, located in the N $\frac{1}{2}$ section 34, T.25N., R.6W., N.M.P.M., Rio Arriba County, New Mexico, for at least five (5) days or a volume of 13,550 MCF each month until the balancing period has been completed, as this well is overproduced and remains shut-in under the six (6) times over-produced rule.

The Salazar Well No. 4-E produces from the Basin Dakota Reservoir and as shown by the enclosed Engineering Report, irreversible skin damage would occur if this well does not have periodic and regular production to remove the formation water from the well-bore. The report provides technical substantiation of the required flow-rate to prevent damage.

This well is overproduced by 317,158 MCF, which is eleven (11) times over its average allowable. Due to the current low market nominations, the balancing period for this well may be prolonged an additional 15 months and such a long shut-in period would cause formation damage that would be impossible to reverse completely with well treatment. This would result in lost reserves that would be trapped and unproducable from the damaged well.

We therefore, request that the NMOCD approve the scheduling by El Paso Natural Gas Company of monthly minimum production of 13,550 MCF, or 5 days, to protect this well from irreparable damage and prevent the waste of producible reserves, until such time as this well is in balance with its allowable.

Thank you for your assistance.

Sincerely yours,

Jack Redding, Jr.
President

ENCLOSURE

cc: NMOCD, Aztec District Office
1000 Rio Brazos Rd, Aztec, NM 87410

El Paso Natural Gas Co.
System Dispatching Dept.
P.O. Box 1492
El Paso, TX 79978

BEFORE EXAMINER ^{CATANACH} STOGNER
Oil Conservation Division
Exhibit No. <u>2</u>
Case No. <u>8712</u>