STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT [illegible] 87501

Case 8212

APPLICATION FOR CLASSIFICATION AS HARDSHIP GAS WELL

Operator W. A. Moncrief, Jr. Contact Party Dewey Thornton

Address 400 Metro Bldg., Midland, TX 79701 Phone No. 915/682-1762 or 682-5101

Lease Jurnegan State Well No. 1 UT C Sec. 8 TWP 24S RGE 25E

Pool Name Mosley Canyon Strawn Minimum Rate Requested 450 MCFGPD

Transporter Name EPNG Purchaser (if different) _____

Are you seeking emergency "hardship" classification for this well? X yes _____ no

Applicant must provide the following information to support his contention that the subject well qualifies as a hardship gas well.

Provide a statement of the problem that leads the applicant to believe that "underground waste" will occur if the subject well is shut-in or is curtailed below its ability to produce. (The definition of underground waste is shown on the reverse side of this form)

2) Document that you as applicant have done all you reasonably and economically can do to eliminate or prevent the problem(s) leading to this application.

   a) Well history. Explain fully all attempts made to rectify the problem. If no attempts have been made, explain reasons for failure to do so.

   b) Mechanical condition of the well (provide wellbore sketch). Explain fully mechanical attempts to rectify the problem, including but not limited to:

      i) the use of "smallbore" tubing; ii) other de-watering devices, such as plunger lift, rod pumping units, etc.

Present historical data which demonstrates conditions that can lead to waste. Such data should include:

   a) Permanent loss of productivity after shut-in periods (i.e., formation damage).

   b) Frequency of swabbing required after the well is shut-in or curtailed.

   c) Length of time swabbing is required to return well to production after being shut-in.

   d) Actual cost figures showing inability to continue operations without special relief

4) If failure to obtain a hardship gas well classification would result in premature abandonment, calculate the quantity of gas reserves which would be lost

5) Show the minimum sustainable producing rate of the subject well. This rate can be determined by:

   a) Minimum flow or "log off" test; and/or

   b) Documentation of well production history (producing rates and pressures, as well as gas/water ratio, both before and after shut-in periods due to the well dying, and other appropriate production data).

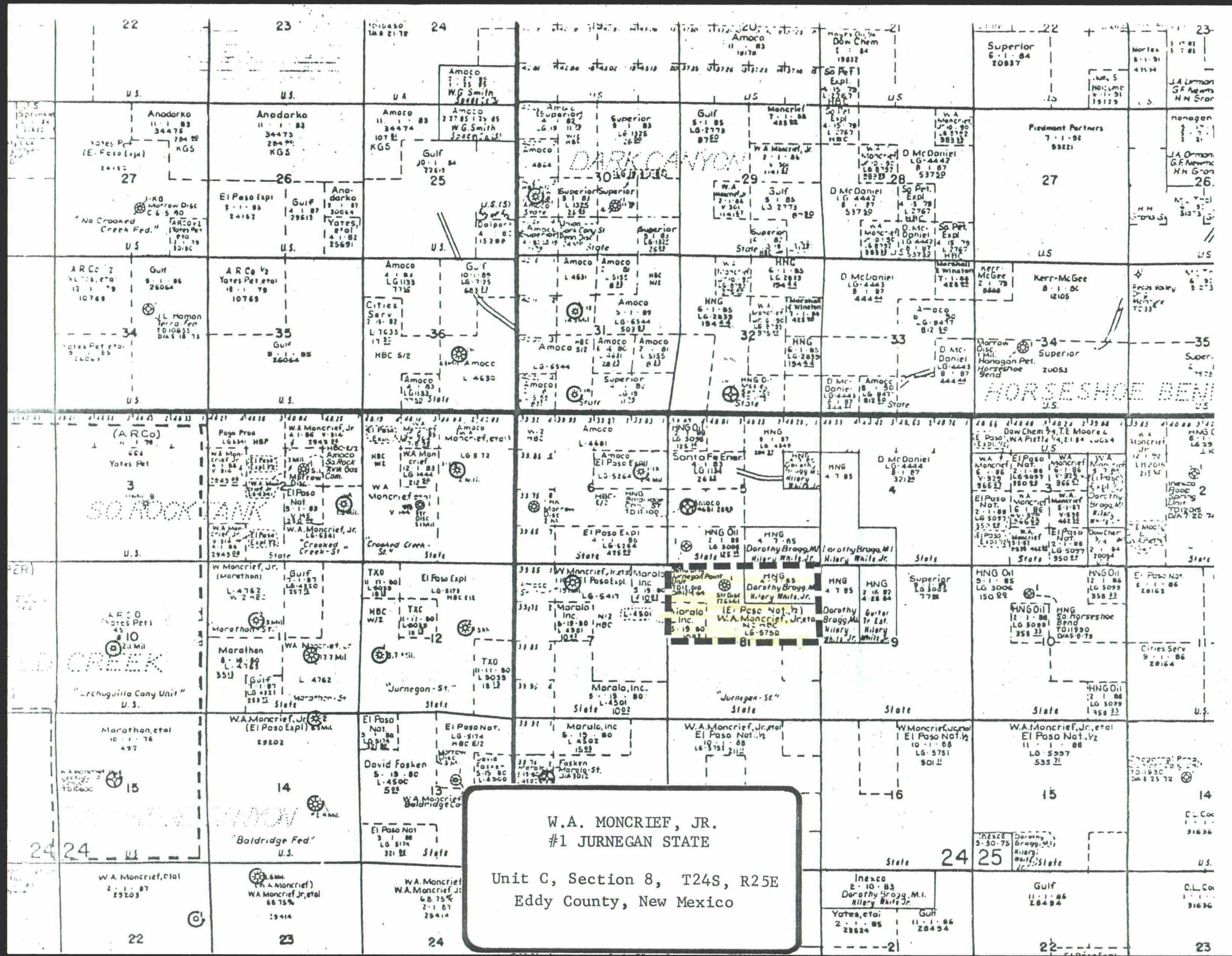
6) Attach a plat and/or map showing the proration unit dedicated to the well and the ownership of all offsetting acreage.

7) Submit any other appropriate data which will support the need for a hardship classification.

8) If the well is in a prorated pool, please show its current under- or over-produced status.

9) Attach a signed statement certifying that all information submitted with this application is true and correct to the best of your knowledge; that one copy of the application has been submitted to the appropriate Division district office (give the name) and that notice of the application has been given to the transporter/purchaser and all offset operators.

EXHIBIT "B" CASE NO. 8077 ORDER NO. R-7453


W.A. MONCRIEF, JR.
#1 JURNEGAN STATE
Unit C, Section 8, T24S, R25E
Eddy County, New Mexico

Schlumberger

COMPENSATED NEUTRON FORMATION DENSITY

COMPANY W.A. MONCRIEF JR.

WELL (A) JURNEGAN STATE #1

FIELD WILDCAT

COUNTY EDDY STATE NEW MEXICO

Location	Sec	Twp	Range
	8	24S	25E

Other Services: DLL-MSFL

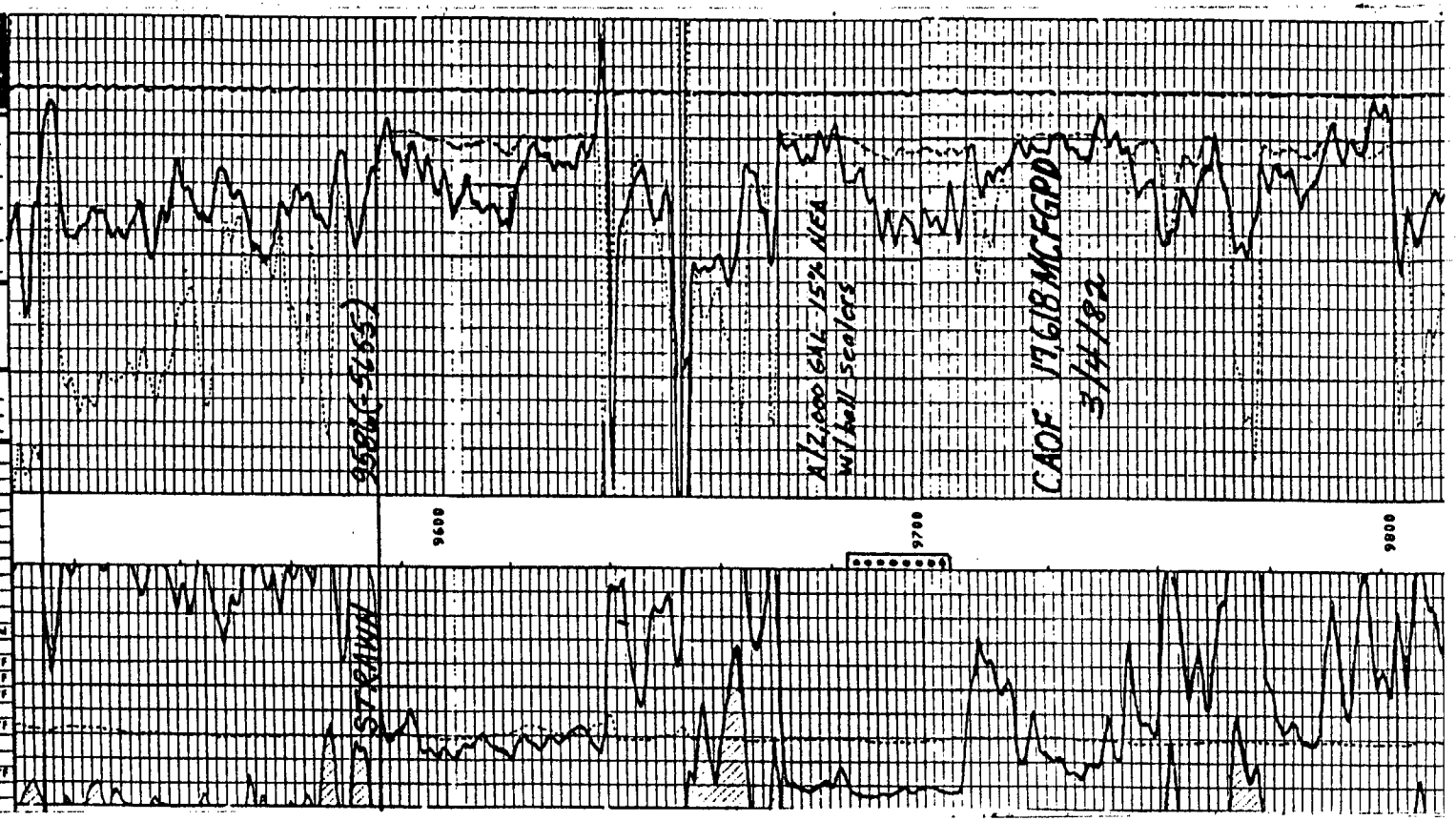
Permanent Datum GL, Elev. 3916

Log Measured From KB, 15 Ft. Above Perm. Datum

Drilling Measured From KB

Elev.: K.B. 3931, D.F., G.L. 3916

Date	11-29-81			
Run No.	ONE			
Depth-Driller	11153			
Depth-Logger	11126			
Bottom Logged Interval	11124			
Top Log Interval	SURF.			
Casing-Driller	8 5/8@2595	@	@	@
Casing-Logger	2600			
Bit Size	7 7/8			
Type Fluid in Hole	KCL			
Dens. / Visc.	9.7 / 33			
pH / Fluid Loss	10 / 5.8 ml	ml	ml	ml
Source of Sample	MUD PIT			
R_m @ Meas. Temp.	.136 @ 63 °F	@ °F	@ °F	@ °F
R_mf @ Meas. Temp.	.102 @ 63 °F	@ °F	@ °F	@ °F
R_mc @ Meas. Temp.	.204 @ 63 °F	@ °F	@ °F	@ °F
Source R_mf / R_mc	C			
R_m @ BHT	.049 @ 187 °F	@ °F	@ °F	@ °F
Time Circulation Stopped	0130			
Time Logger on Bottom	0830			
Max. Rec. Temp.	187 °F	°F	°F	°F
Equipment No. / Location	8151 / RSWI			
Recorded By	ADLAKHA			



W. A. MONCRIEF, JR.

OIL PRODUCER

400 METRO BUILDING
MIDLAND, TEXAS 79701

TELEPHONE 682-1762

April 26, 1984

Case 8217

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Joe Ramey

Re: Application for Hardship Classification
W.A. MONCRIEF, JR., #1 JURNEGAN STATE
Unit C, Section 8, T24S, R25E
Eddy County, New Mexico

Gentlemen:

Attached is an application form and other data supporting our request that the above-referenced well be granted Hardship Classification.

If you need additional data, call me at 915/682-5101 or 682-1762.

Very truly yours,

Dewey E. Thornton

Dewey E. Thornton,
Exploration Manager

DET:wg
Attachment

cc: Mr. Les Clements - Oil Conservation Division
Mr. Bill Lewis - HNG
Mr. J. R. Barnett - Amoco Production Co.
Mr. J. B. Huckabay, Jr. - Superior Oil
Mr. Paul Burchall - El Paso Natural Gas Co.

W. A. MONCRIEF, JR. #1 JURNEGAN STATE "COM"
Unit C, Section 8, T24S, R25E, Eddy County

(1) Current production varies from 350 to 750 MCFGPD + 4 to 15 BC/day + 3.5 to 8 BWPD depending on El Paso's line pressure. This well produces from Strawn lime perfs 9,684-9,706' on a 16/64" choke with 750# FTP±. We believe that any prolonged pinch-back or shut-in periods would cause the well to load up with water and a swabbing unit would be required to resume production since it is so near line pressure.

(2) This well has made water since it was acidized during completion operations in 1982. The pay zone is one single lime body and the gas, condensate and water all come from the same reservoir. It would be impossible to shut off one without shutting off the others. It is the only well producing from this reservoir in the area; so there could be no damage to correlative rights.

El Paso requested that this well's volume be pinched back 25% on 9-12-82 due to their reduced demand for gas. The well was pinched back from a 13/64" to a 10/64" ck. The well was making 4 to 45 BWPD on 13/64" ck and the water production decreased to 0-10 BWPD on the 10/64" ck. The gas volume declined from 854 MCFGPD to 545 MCFGPD over an 8 day period and operator was afraid it was loading up with water and would die unless it was opened back to a larger choke. Mr. Jim Minnick of El Paso's Jal office was notified and agreed that the well should be returned to the larger choke. It has not been pinched back or shut-in since that time except for EPNG line repairs in November of 1982 and January of 1983.

Mr. Les Clements of the Artesia office of the Oil Conservation Division was notified of this negative reaction to the pinch-back by letter dated 10-1-82 and granted an exception to the Annual Gas Shut-In Pressure Test (Division Rule 402) by letter dated 10-8-82.

(9) All information submitted with this application is true and correct to the best of my knowledge. One copy of the application has been submitted to the Artesia District office of the Oil Conservation Division, one copy to the transporter/purchaser and one copy to each offset operator.

Dewey E. Thornton

Dewey E. Thornton

cc: Mr. Les Clements - Oil Conservation Division - Artesia, NM
Mr. Bill Lewis - HNG - Midland, TX
Mr. J. R. Barnett - Amoco Production Co. - Houston, TX
Mr. J. B. Huckabay, Jr. - Superior Oil - Midland, TX
Mr. Paul Burchall - El Paso Natural Gas Co. - El Paso, TX