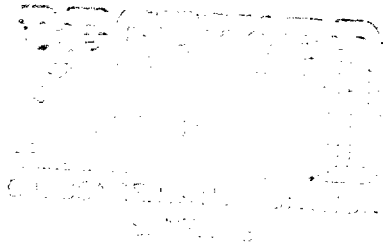
CURTIS J. LITTLE
OIL AND GAS
TELEPHONE [505] 327-6176
PETROLEUM PLAZA SUITE 175
POST OFFICE BOX 1258
FARMINGTON, NEW MEXICO 87499

April 23, 1984



Case 8217

Joe D. Ramey, Secretary
Energy and Minerals Department
Oil Conservation Commission
P.O. Box 2088
Santa Fe, NM 87501

Re: #2E Federal Com.
Sec. 11-T28N-R13W
San Juan County, New Mexico

Dear Mr. Ramey:

Enclosed is a copy of our application on the above mentioned well for "Classification As Hardship Gas Well". I certify that all information submitted herein is true and correct to the best of my knowledge. I further certify that all offset operators have been mailed a complete copy of the application on this date.

Very truly yours,

CURTIS J. LITTLE

CJL/kjt
Encls.

cc: Frank Chavez - Aztec Office OCC
cc: Amoco - Farmington
cc: Southland Royalty - Farmington
cc: Texaco - Denver

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87501

Side 1

Case 8217

APPLICATION FOR CLASSIFICATION AS HARDSHIP GAS WELL

Operator Curtis J. Little Contact Party Curtis J. Little

Address P.O. Box 1258, Farmington, NM 87499 Phone No. 505/327-6176

Lease Federal Com Well No. 2E UT N Sec. 11 TWP 28N RGE 13W

Pool Name Basin Dakota Minimum Rate Requested 88 MCF

Transp... Name El Paso Natural Gas Co. 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

SUPPLEMENT TO APPLICATION FOR CLASSIFICATION AS HARDSHIP GAS WELL

Well: #2E Federal Com.
Section 11-T28N-R13W
San Juan County, New Mexico

In the past 6 months, this well has:

a) averaged 27 days per month on pipeline.

b) flowed an average of 8.7 days per month with El Paso Code 34 "Valve Open - No Gas Flow).

c) averaged 2650 MCF per month (88 MCF per day).

d) averaged 75 BBLS oil per month.

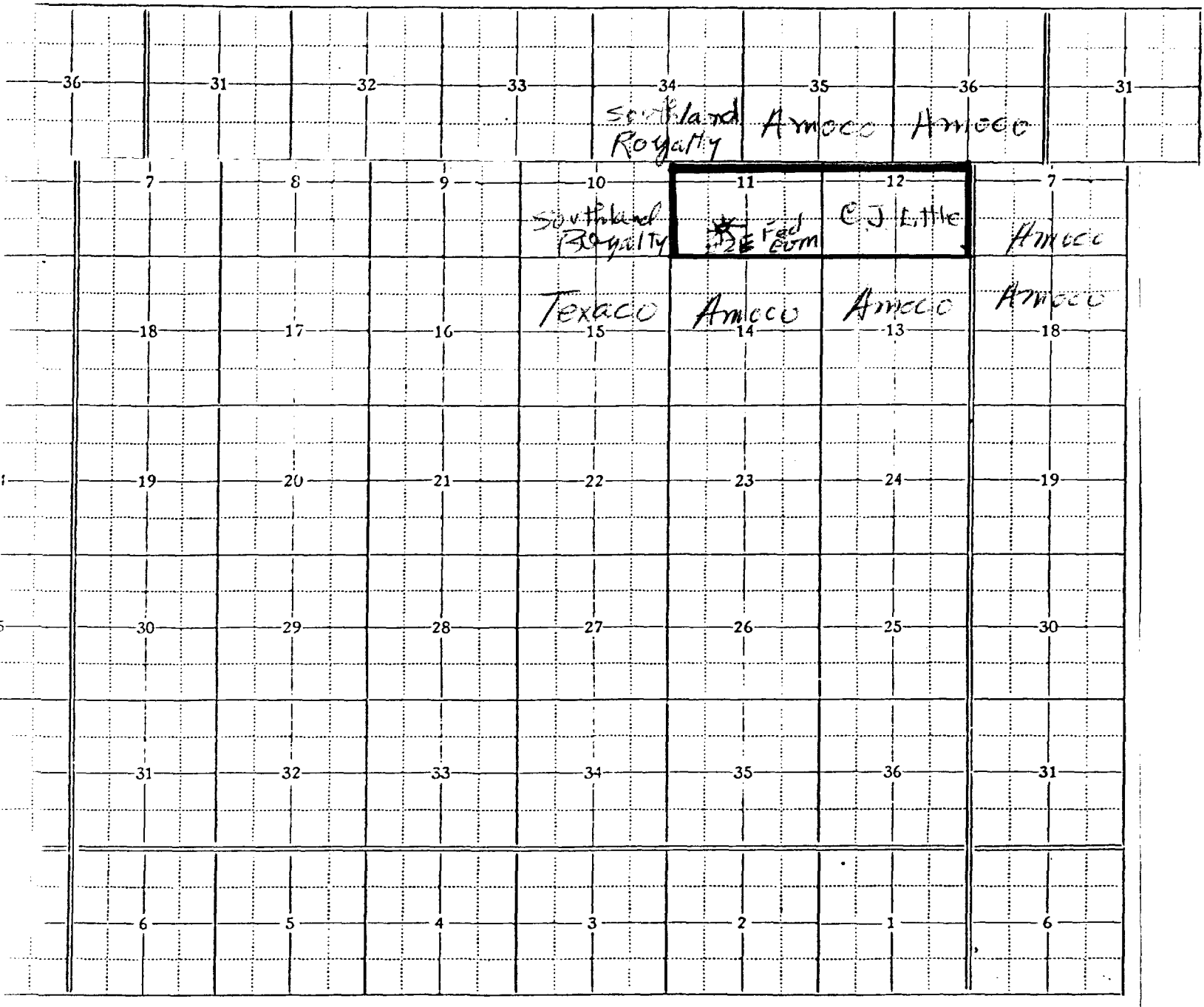
This well "dies" if shut-in for an extended period (a month or more), and requires a day of swabbing, or two hours of "unloading" with Nitrogen, at a cost of approximately $2000.00 for either treatment. In the past, the well has been swabbed once, and unloaded with Nitrogen three times. Having to swab the well into the atmosphere or unload the well with Nitrogen to "put the well into production after any prolonged period of shut-in" causes inefficient and dissipating use of reservoir gas energy.

As of January 1, 1984, the subject spacing unit was 17,217 MCF under-produced on its allowable.

Hardship: Prevention of Waste: We have an intermitter that shuts the well in for 6 hours and flows 3 hours through the separator and into the pipeline. We also have 6338 feet of $1\frac{1}{2}$" tubing in the hole rather than the normal 2" tubing.

The minimum rate at which the well will flow is 88 MCFGPD. The Deliverability for the 1983 test was 70 MCFGPD.

Township 28 N Range 13 W . San Juan County, State of



Island Township Plat- -Scale 1-inch to 1-mile- In stock and for Sale by THE OLDS PRESS Tulsa, Oklahoma - Printed in U.S.A.

Transporter: El Paso Natural Gas