

DOC# 2584
EXHIBIT# 5
CASE# 8218,19,20,21

APPLICATION FOR CLASSIFICATION AS HARDSHIP GAS WELLS

Dinero Operating Company
Dublin Ranch Morrow Wells
Eddy County, New Mexico

ITEM NO. 3

3. Assuming that the Big Chief Comm. No. 2 would have produced at 75 percent of its maximum flowing rate of 2.6 MMCFPD, prior to being shut in for lack of a pipe line connection, it would have produced a total of 1.18 BCF more gas than the actual production from that zone. This represents not only a loss of energy reserves, but also a loss of over four million dollars in gross revenue from this one well.

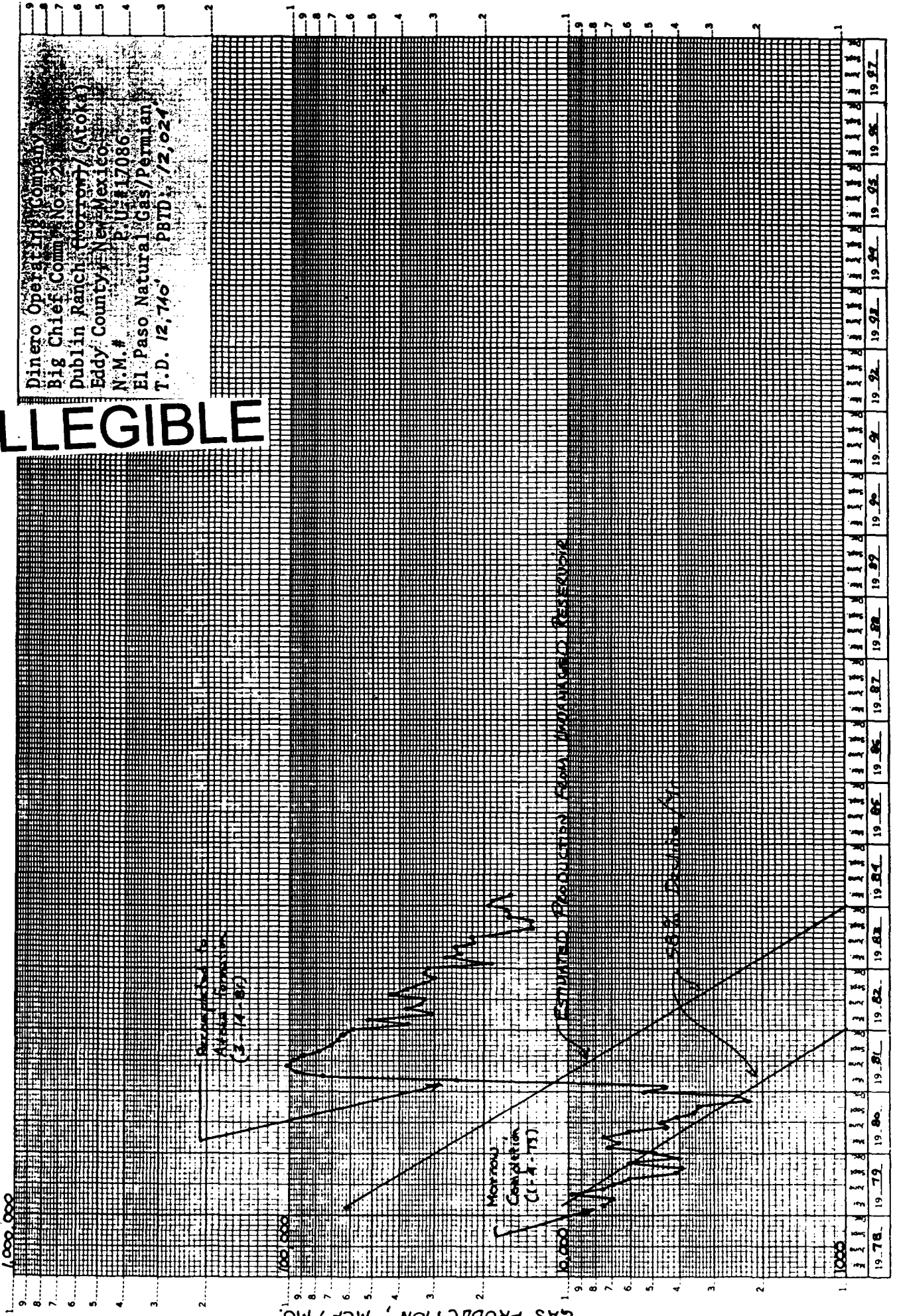
The waste of production from the Big Chief Comm. No. 3 Well is not as dramatic, but still considerable. If production had not been so drastically curtailed in the Morrow zone due to damage occurring while the well was shut in, an additional 416 million cubic feet of gas could have been produced.

The production curves for these wells are also attached, showing the Morrow production and the basis for estimating lost reserves.

The completion history of these two example wells shows that no amount of swabbing or acidizing will return the original rate of production once the damage is done. The wells will not return to normal production if for any reason the formation has been damaged because of encroaching water.

ILLEGIBLE

Dinero Operating Company
 Big Chief Comm. No. 2
 Dublin Ranch (Gorron) (Atoka)
 Eddy County, New Mexico
 N.M. # P.U. 117086
 El Paso Natural Gas/Permian
 T.D. 12,740' PBTD: 12,021'



ILLEGIBLE

Dinero Operating Company
 Big Chief Comm. No. 3
 Dublin Ranch (Atoka)
 Eddy County, New Mexico
 N.M.# P.U.# 17086
 El Paso Natural Gas/Permian
 T.D. 12,741' PBTD: 12,400'

