

DOC# 2584  
EXHIBIT# 10  
CASE# 8218, 19, 20, 21

**El Paso** EXPLORATION  
COMPANY

P. O. BOX 1384  
JAL, NEW MEXICO 88252  
PHONE: 505-395-2551

June 17, 1981

*Letters to NMOC  
EL PASO N6C*

Dinero Operating Company  
P. O. Box 10505  
Midland, Texas 79702

*Exhibit*

Gentlemen:

We propose that tests for state government regulatory bodies be conducted on the well (s) listed below. You are requested to have a representative present to conduct the tests or observe the tests. If your representative is not present, El Paso Exploration Company will conduct the tests and forward the test data to you for filing with the state agencies.

<u>TEST</u> <u>TYPE</u>	<u>PRE-FLOW</u> <u>START</u> <u>END</u>	<u>SHUT-IN</u> <u>START</u> <u>END</u>
C-125	7-29-81    7-30-81	7-30-81    7-31-81

<u>METER NO.</u>	<u>POOL</u>	<u>WELL NAME</u>
58-015	Dublin Ranch - Morrow	Big Chief COM No. 1
58-423	Dublin Ranch - Atoka	Big Chief COM No. 2
58-375	Dublin Ranch - Atoka	Big Chief COM No. 3
58-218	Dublin Ranch - Morrow	Big Chief COM No. 4
58-016	Dublin Ranch - Morrow	Little Squaw COM No. 1
58-167	Undesignated NM Atoka	Little Squaw COM No. 2

THE TESTS WILL BE CONDUCTED AS FOLLOWS:

START DATE - See Above	Commence Preflow
START DATE - Plus One Day	Shut in well
START DATE - Plus Two Days	Observe 24 hour shut-in pressure

For the time of day that our representatives will be at each well, please contact the following address. Also, should your address change, please notify the following:

El Paso Exploration Company  
Attn: Production Department  
P. O. Box 1384  
Jal, New Mexico 88252  
Ph. No. AC 505-395-2551 Ext. 2360

DINERO OPERATING COMPANY  
REQUEST FOR EXEMPTION FROM ANNUAL SHUT-IN PRESSURE TESTS  
PAGE-2-

<u>METER NO.</u>	<u>POOL</u>	<u>WELL NAME</u>
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58-423	Dublin Ranch-Atoka	Big Chief Comm. No. 2
58-375	Dublin Ranch-Atoka	Big Chief Comm. No. 3
58-218	Dublin Ranch-Morrow	Big Chief Comm. No. 4
58-016	Dublin Ranch-Morrow	Little Squaw Comm. No. 1
58-167	Dublin Ranch-Atoka	Little Squaw Comm. No. 2
58-554	Dublin Ranch-Atoka	Big Chief Comm. No. 5
N/A	Dublin Ranch-Morrow	Dinero State Comm. No. 1

**DINERO**  
P. O. DRAWER 10505  
MIDLAND, TEXAS 79702

PHONE 915/684-4202

June 24, 1981

New Mexico Oil and Gas Commission  
Drawer DD  
Artesia, New Mexico 88210

ATTN: W. A. Gressett

Gentlemen:

Enclosed is a copy of a letter we have written to El Paso with an attached schedule for annual shut-in pressure tests. Last year we requested and were granted by your office exemption to these shut-in periods. As you may recall during that test period we completely lost one well and experienced curtailed production in others. It appears that the Atoka-Morrow formation in this area has substantial bentonitic clay inclusions which swell when any water is allowed to accumulate in the well bore or in the porous space in the formation when they are closed in.

Because of our past experience wherein we lost a considerable volume of gas which would in all probability have been recovered had we not shut-in the wells, we now respectfully request that these wells be permanently exempted from any shut-in requirements by the Commission.

It is our desire to comply with any and all regulations of the New Mexico Oil and Gas Commission and will forward any other information as you may feel necessary to justify granting this request.

Very truly yours,

Dinero Operating Company

DOC:jm

Enclosure

PHONE 015/684-4202

**DINERO**  
**P. O. DRAWER 10505**  
**MIDLAND, TEXAS 79702**

January 6, 1982

State of New Mexico  
Oil and Gas Commission  
Drawer DD  
Artesia, New Mexico 88210

Gentlemen:

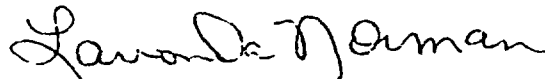
Enclosed is a copy of a letter we have written to El Paso regarding the annual shut-in pressure tests. Last year we requested and were granted by your office exemption to these shut-in periods. As you may recall during that test period we completely lost one well and experienced curtailed production in others. It appears that the Atoka-Morrow formation in this area has substantial bentonitic clay inclusions which swell when any water is allowed to accumulate in the well bore or in the porous space in the formation when they are closed in.

Because of our past experience wherein we lost a considerable volume of gas which would in all probability have been recovered had we not shut-in the wells, we now respectfully request that these wells be permanently exempted from any shut-in requirements by the Commission.

It is our desire to comply with any and all regulations of the New Mexico Oil and Gas Commission and will forward any other information as you may feel necessary to justify granting this request.

Very truly yours

DINERO OPERATING COMPANY



Lavonda Norman  
Production Supervisor

/ln

Enclosure



**DINERO**

P. O. Box 10505

Midland, Texas 79702

(915) 684-4292

May 26, 1982

El Paso Natural Gas  
P. O. Box 1384  
Jal, New Mexico 88252

Attention: Pat Hooser

Re: Exception to Shut-In  
Gas Wells, Eddy County,  
New Mexico

Gentlemen:

Responding to your telephone request of May 25, 1982, whereby El Paso proposed the shutting-in of certain wells operated by Dinero Operating Company in Eddy County, New Mexico. This is to advise you that we most emphatically urge that the following wells not be shut-in for any reason whatsoever:

- Big Chief #1, 1980' FN&W of Sec. 22, T22, R-28
- Big Chief #2, 1980' FN, 660 FS, Sec. 22, T22, R-28
- Big Chief #3, 1980' FS&E, Sec. 21, T-22, R-28
- Big Chief #4, 1980' FW, 660FS, Sec. 15, T-22, R-28
- Big Chief #5, 1980' FN, 660 FW, Sec. 15, T-22, R-28
- Little Squaw #1, 1980' FN&W, Sec. 27, T-22, R-28
- Little Squaw #2, 1980' FW, 660FS, Sec. 27, T-22, R-28

These wells are all in the Dublin Ranch Field. It has been the experience in the area that once these wells have been placed on production and are then subsequently closed in for any reason they have become incapable of producing gas in any substantial quantity. Our Big Chief #3 wells were producing in excess of one million cubic feet per day, one was shut-in waiting for a gas connection, the other was shut-in by El Paso. I believe, because of a pipeline crowding, neither well was subsequently capable of producing 100 mcf per day and were of necessity re-completed in alternate zones which did not appear to be as good as those from which we originally completed.

For your information, we have appealed to the State of New Mexico Oil and Gas Commission to exempt the subject wells from the "Annual Shut-In Bottom Hole Pressure Tests." This request was granted, as the state did not feel that we should be subjected to the risk of losing these wells.

We certainly appreciate your consideration of this request, and sincerely hope that short of total depletion or a national disaster, these wells will never be shut-in.

Very truly yours,

DINERO OPERATING COMPANY

*Russell G. Ramsland*  
Russell G. Ramsland

RJR:sm

