

Tenneco Oil
Exploration and Production
A Tenneco Company

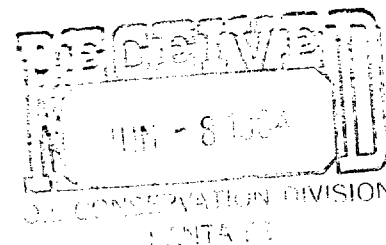
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Western Rocky Mountain Division

AMENDED COPY

May 30, 1984



New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501

RE: Hardship Status - Dawson Fed #1
Section 26, T27N, R8W
San Juan County, New Mexico

Case 8245

Gentlemen:

Tenneco Oil requests that the referenced well be classified as a hardship gas well. Underground waste will occur due to shut-in because of a build up of liquids in the wellbore requiring the well to be swabbed to return it to production. The build up of liquids in the wellbore also causes the water saturation of the pay zones near the wellbore to increase, thereby lowering the relative permeability to gas. This low relative permeability, whether permanent or temporary, will restrict the flow of gas.

In order to rectify the water problem this well currently has an intermitter installed that unloads the produced liquids (water) to the low pressure side of the separator. This method has been successful in keeping the wellbore unloaded and flowing freely. The use of other dewatering devices has been considered but rejected. These are:

- (1) Plunger lift - due to shut-in bottom hole pressure being very close to the line pressure.
- (2) Undersize tubing - the minimum flow rates necessary to unload the produced water, as calculated by the methods proposed by Turner are listed below:

2-3/8" (1.995" ID) - 697 MCFD
1-1/4" (1.380" ID) - 333 MCFD
1" (1.049" ID) - 193 MCFD

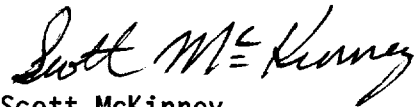
Since the well has a deliverability of approximately 100 MCFD none of the above tubing sizes would enable the well to unload its produced water. It would not be advisable to use smaller tubing than 1" at these depths.

When this well is shut-in for a period of time it has to be swabbed to return it to production. Normal swab time is usually two to three days, at a cost of approximately \$2,500.00, which is more than the gross monthly revenue generated by this well. If Tenneco abandoned this well due to failure to obtain hardship gas well classification, the quantity of gas reserves which would be lost would be 308 MMCF. This well is in a prorated pool which is currently under produced 3029 MCF as of May 1984 production book.

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If you have any questions concerning the application for hardship gas well status, please contact Mark Owen, Production Engineer.

Very truly yours,

A handwritten signature in cursive script that reads "Scott McKinney".

Scott McKinney
Senior Regulatory Analyst

SMc:gj
Attachment

cc: Mark Owen