

**ENRON**  
**Oil & Gas Company**

P. O. Box 2267 Midland, Texas 79702 (915) 686-3600

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November 2, 1994

New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87504

Attn: Mr. David R. Catanach

RE: Temporary Downhole Commingling  
Enron Oil & Gas  
James Ranch Unit No. 71  
Section 36 A-22S-30E  
Eddy County, NM

Dear Mr. Catanach:

As a result of our meeting with you on Thursday, October 27, 1994, EOG respectfully requests temporary downhole commingling authority for the Bone Spring and Wolfcamp formations, and a temporary testing allowable of 320 BOPD for a period of 90 days or until issuance of the final Order by OCD concerning this matter.

EOG plans to present the test data and other documentation to receive approval for downhole commingling at the December 7, 1994 Hearing Docket.

The two formations were completed together and fracture treatment flowback began on October 27, 1994. Fracture cleanup should take two weeks and then EOG will isolate each zone with packer and bridge plug for several weeks of testing each formation separately. Production volumes will then be allocated between the formations based on the testing results.

Please note that working interests, royalty interests, and overriding royalty ownerships in this wellbore are identical for the Bone Spring and Wolfcamp sand intervals. The subject well's lease is on State acreage within the James Ranch Federal Unit and is subject to Federal participating area guidelines. Enron will address this subject more fully at the December 7, 1994 hearing. EOG has already met with BLM and State Land Office representatives concerning future possible PAs and have both agencies' approvals to go ahead with the current testing plans as outlined above.

Mr. David Catanach  
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Please call me at (915) 686-3698 with any questions or data requests.

Respectfully yours,

ENRON OIL & GAS COMPANY



Randall S. Cate  
Project Reservoir Engineer

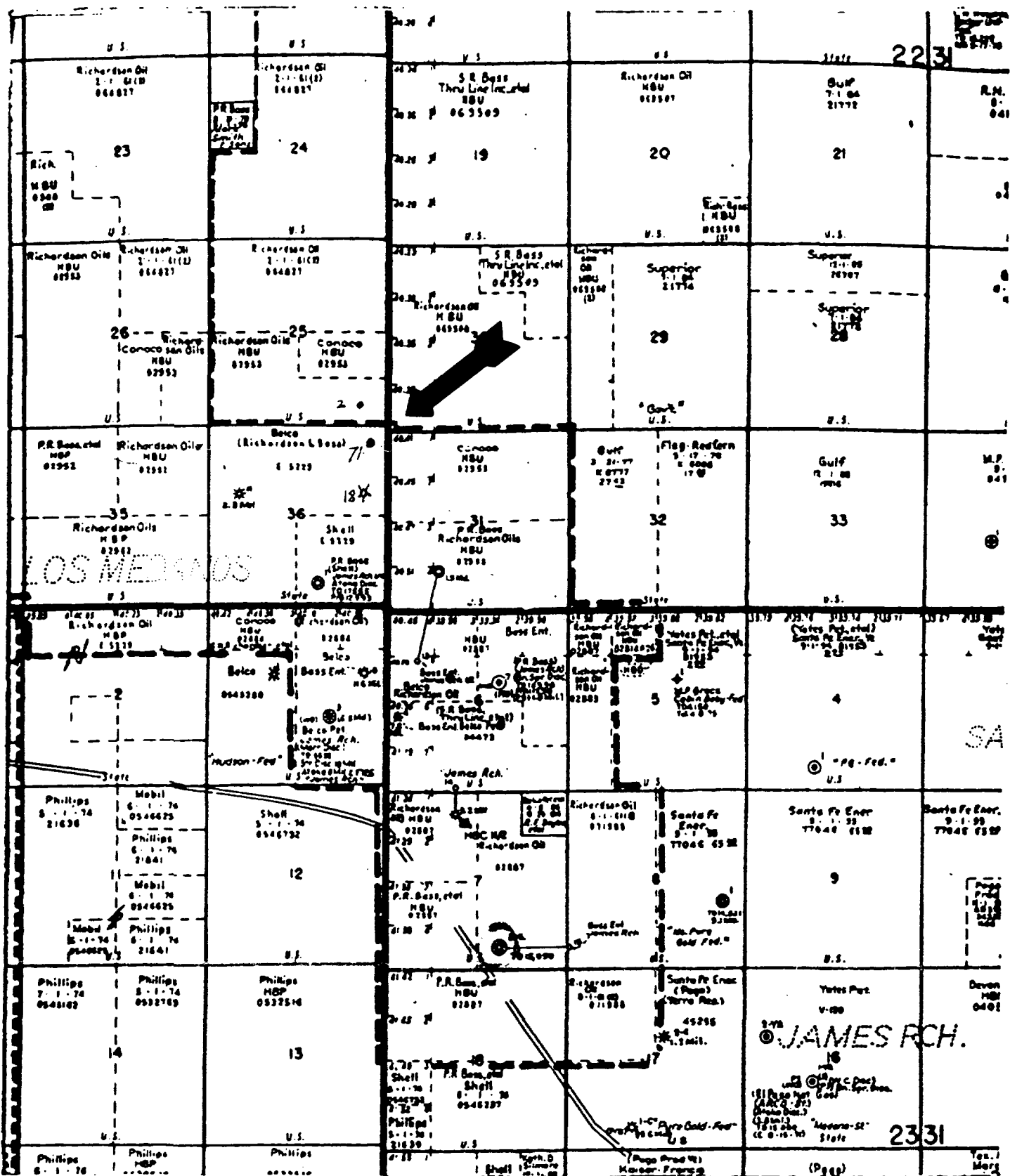
RSC/kp

cc: Mr. Pete Martinez  
New Mexico State Land Office  
310 Old Santa Fe Trail  
Santa Fe, NM 87501

Mr. Les Babyak  
Bureau of Land Management  
P. O. Box 1397  
Roswell, NM 88201

Mr. Wayne Baily  
Bass Enterprises Production Co.  
201 Main St., Suite 3100  
Fort Worth, TX 76102

Mr. John Smitherman  
Bass Enterprises Production Co.  
6 Desta Drive, Suite 3700  
Midland, TX 79705



COMPANY: ENRON OIL & GAS  
 PROSPECT: JAMES RANCH  
 COUNTY: Eddy STATE: NM  
 BY: PJT DATE: 10-25-90

SCALE IN THOUSANDS OF FEET