

The following information is to show changes in Enron Oil & Gas Company's method of disposal of produced water. Onshore Oil & Gas Order #7.

DIAMOND 31 FEDERAL COM. #1

1. Name of formation(s) producing water on the lease:

Morrow

2. Amount of water produced from all formations in bbls/day:

The well averages 2 barrels of water/day.

3. How water is stored on lease:

210 barrel fiber glass tank

4. How water is moved to the disposal facility:

B&E Water Haulers

5. Primary disposal facility:

Bettis, Boyle & Stovall's Littlefield Federal No. 1 SWD R-485, located 660' FNL & 1980' FEL (Unit B) of Section 11, T24S, R31E. Eddy County.

6. Secondary disposal facility:

Ralph Williamson's Conoco Federal No. 2 SWD R-3638, located in Unit B of Section 15, T26S, R33E. Lea County.

A copy of permits for both disposal facilities is enclosed.