

N.M. OIL CONS. COMMISSION
P.O. BOX 1980
HOBBS, NEW MEXICO 88240
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
 (Other instructions on reverse side)

FORM APPROVED
 OMB NO. 1004-0136
 Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Enron Oil & Gas Company

3. ADDRESS AND TELEPHONE NO.
 P. O. Box 2267, Midland, Texas 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface: 660' FNL & 1980' FEL
 At proposed prod. zone: Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 29 miles west from Jal, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 660

16. NO. OF ACRES IN LEASE
 640

17. NO. OF ACRES ASSIGNED TO THIS WELL
 80

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 2023'

19. PROPOSED DEPTH
 12,600

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3417' GR

22. APPROX. DATE WORK WILL START*
 10-28-94

5. LEASE DESIGNATION AND SERIAL NO.
 NM 30400

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
 Hallwood 12 Federal #g

9. AM WELL NO.
 8

10. FIELD AND POOL, OR WILDCAT
 Red Hills Bone Spring

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec 12, T25S, R33E

12. COUNTY OR PARISH
 Lea

13. STATE
 NM

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14-3/4	42# H-40 A ST&C	42# 11 3/4'	650	250 sx CIRCULATED
11	J-55 ST&C	24# & 32# 8 3/8'	5200	1100 sx CIRCULATED
7-7/8	P-110 ST&C	17# 5 1/2'	12600	1200 sx est TOC @ 4500'

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on leased land or portions thereof as shown below:

NM 30400
 Sec 12, T25S, R33E
 Bone Spring Formation
 Federal Bond # MT 0748 with endorsement to New Mexico

RECEIVED
 OIL & GAS
 AREA
 Oct 3 9 34 AM '94

**Approval Subject to
 General Requirements and
 Special Stipulations
 Attached**

Acreage is dedicated to a pipeline.

IN THE SPACE BELOW DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. *Betty Gildon* Betty Gildon TITLE Regulatory Analyst DATE 9/29/94

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
 CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY *Scott Powers* TITLE Acting Area Mgr DATE 11-8-94

*See Instructions On Reverse Side

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 51020		³ Pool Name Red Hills Bone Spring	
⁴ Property Code		⁵ Property Name HALLWOOD "12" FEDERAL			⁶ Well Number 8
⁷ OGRD No. 7377		⁸ Operator Name ENRON OIL AND GAS COMPANY			⁹ Elevation 3417

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	12	25-S	33-E		660	NORTH	1980	EAST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 80	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>¹⁶</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Betty Gildon</i></p> <p>Signature Betty Gildon Printed Name Regulatory Analyst Title 9/14/94 Date</p>	
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to best of my belief.</i></p> <p>8-17-94 Date of Survey</p> <p>Signature and Seal <i>Earl Foote</i> Professional Surveyor 8278 REGISTERED PROFESSIONAL LAND SURVEYOR</p> <p>Certificate Number 8278</p>	

DRILLING PROGRAM

Enron Oil & Gas Company
Hallwood "12" Federal, Well No. 8
660' FNL & 1980' FEL
Sec. 12, T25S, R33E
Lea County, New Mexico

1. Geologic Name of Surface Formation:

Permian

2. Estimated Tops of Important Geologic Markers:

Rustler	850'
Delaware Mt. Group	5175'
Bone Spring Lime	9275'
Bone Spring Pay	12225'
TD	12600'

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas:

Upper Permian Sands	100'	Fresh Water
3rd Bone Spring Sand	12225'	Oil

No other formations are expected to give up oil, gas or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 11-3/4" casing at 650' and circulating cement back to surface, and 8-5/8" casing will be set at 5200' with cement circulated back to surface.

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660' FNL & 1980' FEL
Sec. 12, T25S, R33E
Lea County, New Mexico

4. Casing Program:

<u>Hole Size</u>	<u>Interval</u>	<u>OD csg</u>	<u>Weight Grade Jt. Cond. Type</u>
14-3/4	0- 650'	11-3/4	42# H-40 A ST&C
11	0- 5200'	8-5/8	24# & 32# J-55 ST&C
7-7/8	0- 12600'	5-1/2	17# P-110 ST&C

Cementing Program:

- 11-3/4" Surface casing: Cement to surface with 250 sx of Class C + 2% CaCl₂ + 1/4#/sx flocele.
- 8-5/8" Intermediate: Cement to surface with 800 sx of Premium Plus lite + 15#/sx salt + 1/4#/sx Flocele and 300 sx Cl C + 2% CaCl₂
- 5-1/2" Prod. Casing: Cement with 1200 sx 50/50 Cl H/Poz + 2% Gel + .4% CF-14, .1% Diacel LWL. This cement slurry is designed to bring TOC to 4500'.

5. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram-type (5000 psi WP) preventer and an annular preventer (5000 psi WP). Units will be hydraulically operated and the ram-type will be equipped with blind rams on top and drill pipe rams on bottom. All will be installed on the 11-3/4" surface casing and used continuously until TD is reached. All BOP's and accessory equipment will be tested to 600 psi before drilling out of surface casing. Before drilling out of intermediate casing, the ram-type BOP and accessory equipment will be tested to 5000 psi and the annular to 70% of rated working pressure (3500 psi).

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and 4" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold with 3000 psi WP rating.

ENRON OIL & GAS COMPANY

HALLWOOD 12 FEDERAL #8

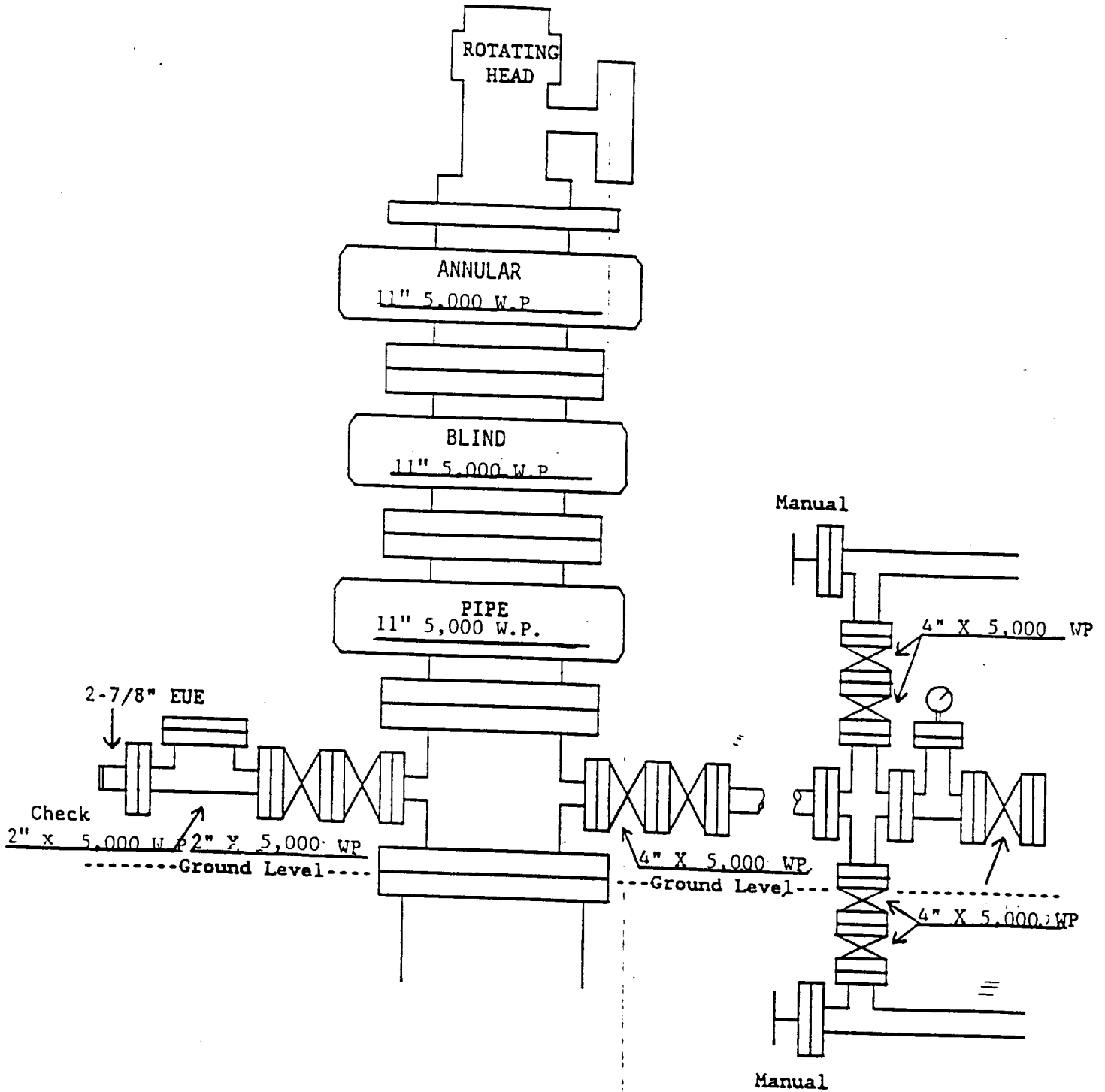


EXHIBIT #1