ENRON
Oil & Gas Company

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

January 28, 1994

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

RE: Application to Downhole Commingle Atoka and Morrow Gas Producing Zones in the Pure Gold "B" Federal No. 2, BHL: 660' FNL & 1,980' FEL Section 20, T23S, R34E, Eddy County, New Mexico

Gentlemen:

It is proposed to downhole commingle the Morrow and Atoka gas zones in the above captioned well to maximize the efficient and effective recovery of gas at this location. Economic evaluation of this well as both a dual and a single completion has shown that only as a single completion can reserve and economic waste be eliminated.

This well was drilled and originally completed in the Morrow "C" sands in March 1993. After acid treatment the "C" flowed 1,800 MCFD with a FTP of 335 psig. A pressure buildup survey indicated the initial reservoir pressure of the Morrow to be 5,920 psig. A sand plug was spotted over the "C" and the Morrow "A" sand was perforated. After fracture treatment of the "A" and removal of the sand plug in April 1993, the "A" and "C" combined initially flowed 7,500 MCFD with a FTP of 2,600, but by August 1993 the rate had declined to 3,500 MCFD with 1,000 psig FTP. Both the Morrow "A" and "C" qualify for the tight gas sand tax credit (TGS).

In August 1993, a workover was begun to test the Atoka "A-3" sand (non-TGS). At the time a dual completion was planned, as it was believed the Atoka would be a prolific zone. A pressure buildup survey indicated the Atoka reservoir pressure to be 7,500 psig. After acid treatment, however, this sand flowed only 300 MCFD and 40 BWPD with a FTP of 800 psig. In November 1993 the Atoka was fracture treated, but the rate rapidly fell off and the well again began experiencing fluid loading problems. Current production is only 560 MCFD and 100 BWPD, with the rate still falling.

The Morrow "A" and "C" zones need to be restored to production in order to regain competitive position in the reservoir. A dual completion cannot be justified for the following reasons: 1) the cost to dually complete this well is estimated at $183,900 (see Exhibit K), and the low producing rates and remaining reserves in the Atoka will not justify such an expenditure, and 2) a dual completion would require killing the Atoka with at least 10 lb./gal. brine (or a heavier fluid - see Exhibit L), which would jeopardize remaining Atoka reserves due to the fact that this is a water sensitive formation. To commingle the two formations will eliminate both reserve and economic waste and will be relatively simple and inexpensive: the sand and gel over the existing packer @ 13,700' will be jetted out with coiled tubing, and a jet cut will be made in the tailpipe below, allowing the CIBP to fall to bottom (see Exhibit J). The comparative economics are shown in Exhibit K.

All the attached data support the feasibility of commingling the two horizons. Additionally, in the James Ranch Unit, located approximately 3 miles NW, the Morrow, Atoka, and Wolfcamp are not infrequently commingled.

The following attachments are submitted in support of this application:

1. EXHIBIT A is a plat highlighting the subject well and the Pure Gold area, showing all offset operators.

2. EXHIBIT B shows the production data and decline curves for both the Morrow and Atoka.

3. EXHIBIT C is the bottom hole pressure data obtained for both the Morrow and Atoka formations, showing the two horizons are well within 50% of each other. This exhibit also shows the flowing bottom hole pressures of both zones, indicating there will be no crossflow.

4. WI, RI, and ORRI ownerships are identical for both horizons.

5. EXHIBIT D contains gas analyses for the Morrow and Atoka, respectively.

6. EXHIBIT E is a letter from Martin Water Labs stating the two waters are compatible.

7. EXHIBIT F is a comparison between the cost to dually complete the Atoka and Morrow and to commingle.

8. EXHIBIT G is a procedure to dually complete in the Atoka and Morrow, showing the involved and complicated nature of the procedure, and the reserve risk to the Atoka formation.

9. EXHIBIT H contains 3 wellbore diagrams: 1) shows existing configuration, 2) dual installation (not recommended), and 3) proposed commingling arrangement.

10. Allocation percentages based on production history of the two formations are suggested as follows:

	Gas,	Oil	Water
Atoka	14	20	93
Morrow	86	80	7

After both zones have stabilized, a production survey will be run and allocations will be reassigned accordingly.

11. Copies of this application were sent by certified mail to each offset operator, as identified by EXHIBIT I.

Sincerely,

ENRON OIL & GAS COMPANY

Hal Crabb, III

CC: OIL CONSERVATION DIVISION
DISTRICT OFFICE
P. O. DRAWER DD
ARTESIA, N.M. 88210
ATTN: MARK ASHLEY

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31 SWq 10 FSL 2110 FEL 17,23-31

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DISTRICT OFFICE
P. O. DRAWER DD
ARTESIA, N.M. 88210
ATTN: MARK ASHLEY

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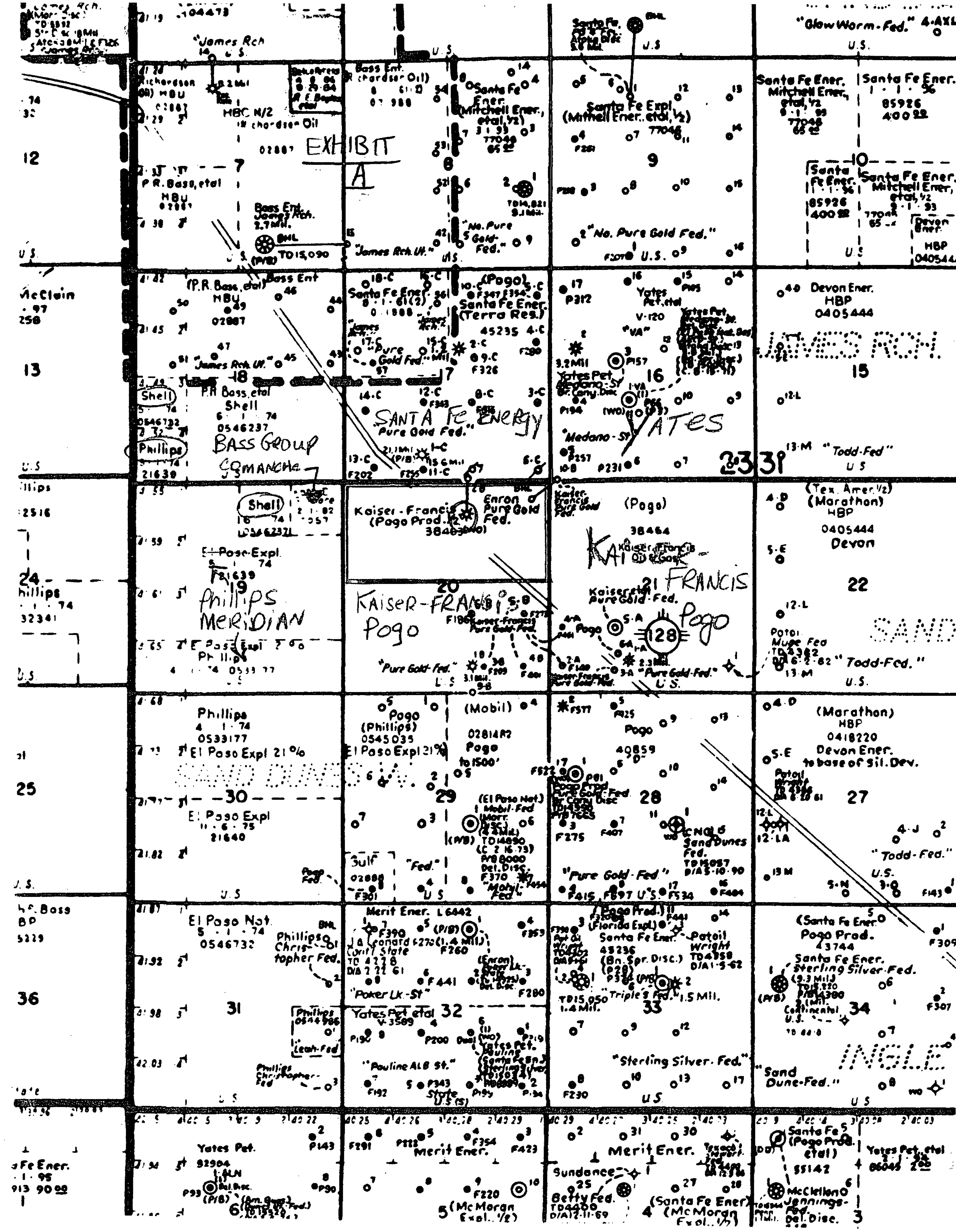
EXHIBIT A
"James Rch"
Bass Ent. James Rch.
"James Rch. Ut."
Santa Fe Expl (Mitchell Ener., etal, ½)
"No. Pure Gold Fed."
"Glow Worm-Fed."
Santa Fe Ener.
Mitchell Ener.
P.R. Bass, etal
HBU
Santa Fe Ener. (Terra Res.)
(Pogo)
Yates Pet. etal
V-120
"Pure Gold Fed."
SANTA FE ENERGY
YATES
"Medano-St"
Devon Ener.
HBP
0405444
"Todd-Fed"
Shell
Phillips
BASS GROUP
COMANCHE
Kaiser-Francis (Pogo Prod. ½)
Enron Pure Gold Fed.
(Pogo)
38464
KAISER-FRANCIS
(Tex. Amer. ½)
(Marathon)
Devon
El Paso Expl.
PHILLIPS MERIDIAN
KAISER-FRANCIS
Pogo
Kaiser-Francis Pure Gold Fed.
"Todd-Fed."
Phillips
0533177
El Paso Expl 21%
(Mobil)
Pogo
40859
(Marathon)
HBP
0418220
Devon Ener.
to base of Sil. Dev.
El Paso Expl
"Pure Gold-Fed"
"Mobil-Fed"
Sand Dunes Fed.
"Todd-Fed."
El Paso Nat.
0546732
Phillips Christopher Fed.
Merit Ener.
"Poker Lk-St"
Yates Pet etal
"Pauline ALB St."
Santa Fe Ener.
45236
"Triple S Fed."
"Sterling Silver-Fed."
(Santa Fe Ener.)
Pogo Prod.
43744
Santa Fe Ener.
"Sterling Silver-Fed."
"Sand Dune-Fed."
Yates Pet.
Merit Ener.
Merit Ener.
Sundance
Betty Fed.
(Santa Fe Ener.)
(McMorgan Expl. ½)
Santa Fe (Pogo Prod. etal)
McClellan Jennings-Fed.
Yates Pet. etal
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EXHIBIT B

PURE GOLD "B" FEDERAL NO. 2
PRODUCTION HISTORY FOR MORROW AND ATOKA

March 1993 Morrow "C": 1,800 MCFD @ 335 psig FTP.
Initial BHP: 5,920 psig.

April 1993 Morrow "A" & "C" initial production: 7,500 MCFD @ 2,600 psig FTP.

August 1993 Morrow "A" & "C" 3,500 MCFD @ 750 psig FTP.

October 1993 Atoka "A-3": 350 MCFD @ 800 psig.
Initial BHP: 7,500 psig.

November 1993 Atoka "A-3" post frac: 560 MCFD @ 850 psig.

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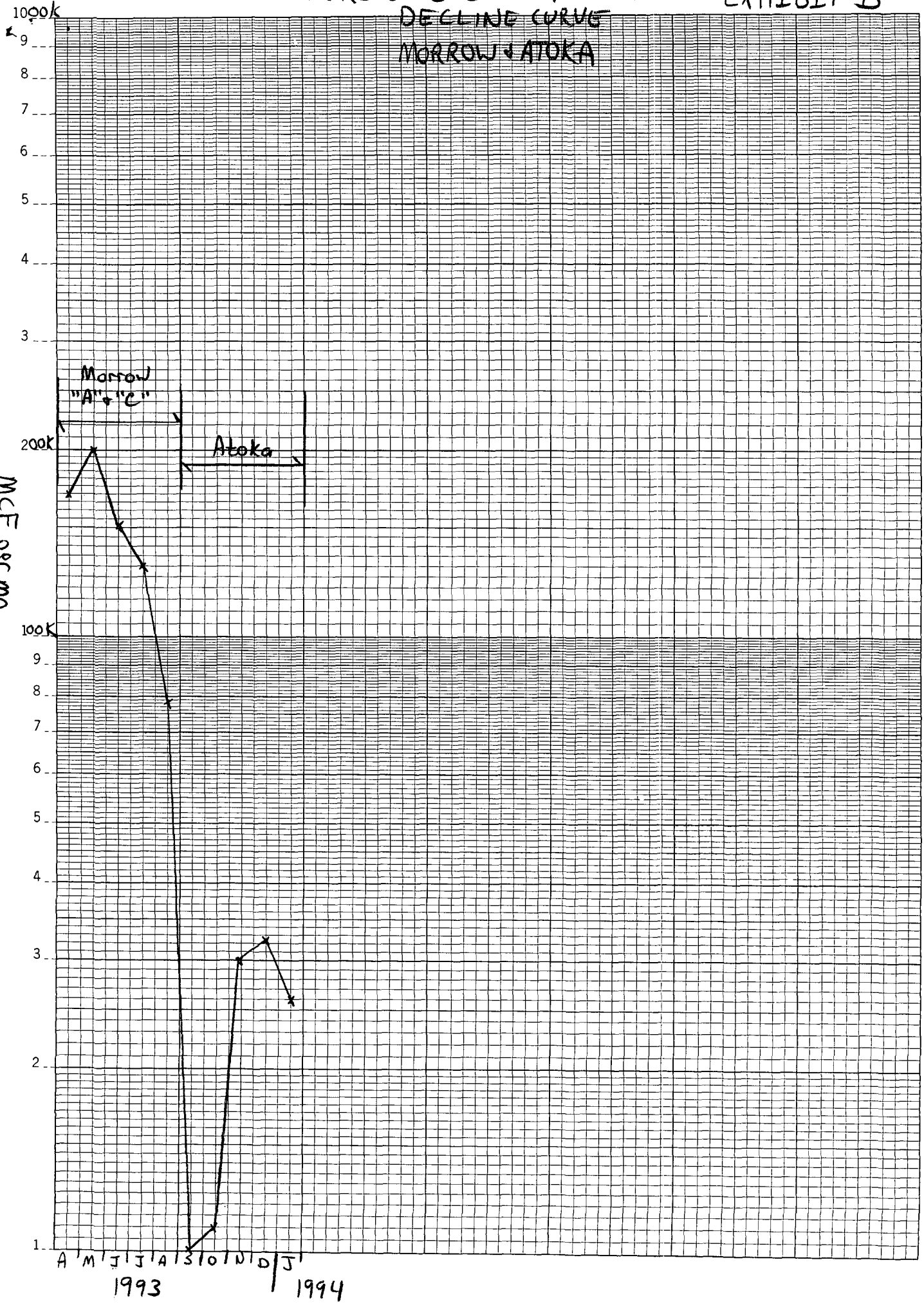
PURE GOLD "B" FED. NO.2

DECLINE CURVE

MORROW & ATOKA

EXHIBIT B



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K+E SEMI-LOGARITHMIC • 2 CYCLES X 70 DIVISIONS KEUFFEL & ESSER CO. MADE IN U.S.A.

THE OILFIELD WORKSTATION
MONTHLY WELL DETAIL
ENRON OIL & GAS COMPANY

FOREMAN : SCHATZ, RICK 01000
ROUTE : LEWELLEN, RANDY 05000
LEASE NAME : PURE GOLD "B" FED #2
WELL NAME : PURE GOLD "B" FED #2

PAGE NO : 01
AS OF : 06/30/93
PROD DATE : 06/01/93

May 93
Morrow "A" & "C"

DAY	CHK/ SPM	TUB PSI	CAS PSI	DOWN HRS	RS	PROD OIL	PROD GAS	PROD WATER
BEG	TEST					0.00	0.00	0.00
02	64.0	1070	0	0		60.91	8130.33	33.80
03	64.0	1070	0	0		12.81	8003.09	0.00
04	64.0	1000	0	7	81	47.76	5780.89	0.00
05	64.0	950	0	0		24.45	7823.85	0.00
06	64.0	950	0	0		23.30	7213.24	0.00
07	64.0	930	0	0		28.66	7331.28	11.67
08	64.0	900	0	0		17.47	7215.82	5.83
09	64.0	900	0	0		22.13	7165.54	5.84
10	64.0	900	0	0		22.99	6967.13	5.83
11	64.0	1000	0	16	49	2.33	2177.23	0.00
12	64.0	900	0	0		50.08	7432.41	0.00
13	64.0	850	0	0		25.62	7001.86	26.25
14	64.0	850	0	0		27.98	7003.20	11.67
15	64.0	850	0	0		11.68	6857.79	11.71
16	64.0	830	0	0		31.02	6805.88	7.02
17	64.0	830	0	0		26.74	6625.25	9.95
18	64.0	800	0	0		18.61	6511.60	5.85
19	64.0	800	0	0		24.42	6436.65	12.86
20	64.0	830	0	0		23.28	6294.84	4.67
21	64.0	830	0	0		15.21	6349.08	7.03
22	64.0	820	0	0		10.01	6166.79	25.13
23	64.0	820	0	0		18.68	6069.56	32.09
24	64.0	820	0	0		28.56	6048.00	5.25
25	64.0	820	0	0		9.30	6091.05	2.34
26	64.0	815	0	0		25.59	5960.19	11.70
27	64.0	815	0	0		24.40	5925.65	12.87
28	64.0	815	0	0		17.42	5890.11	11.11
29	64.0	800	0	0		24.58	5841.59	14.59
30	64.0	800	0	0		4.76	5819.99	8.75
31	64.0	800	0	0		12.81	5782.99	29.16
01	64.0	800	0	0		13.99	5659.04	8.75
				---		---	---	---
				---		---	---	---
				23		707.55	200381.92	321.72

THE OILFIELD WORKSTATION
MONTHLY WELL DETAIL
ENRON OIL & GAS COMPANY

FOREMAN : SCHATZ, RICK 01000 PAGE NO : 01
ROUTE : LEWELLEN, RANDY 05000 AS OF : 01/24/94
LEASE NAME : PURE GOLD "B" FED #2 PROD DATE : 07/01/93
WELL NAME : PURE GOLD "B" FED #2

June 93

DAY	CHK/ SPM	TUB PSI	CAS PSI	DOWN HRS	RS	PROD OIL	PROD GAS	PROD WATER
BEG	TEST					0.00	0.00	0.00
02	64.0	1070	0	0		-122.58	8130.33	33.80
03	64.0	1070	0	0		12.81	8003.09	0.00
04	64.0	1000	0	7	81	220.56	5780.89	0.00
05	64.0	950	0	0		24.45	7823.85	0.00
06	64.0	950	0	0		23.30	7213.24	0.00
07	64.0	930	0	0		28.66	7331.28	11.67
08	64.0	900	0	0		17.47	7215.82	5.83
09	64.0	900	0	0		22.13	7165.54	5.84
10	64.0	900	0	0		-144.55	6967.13	5.83
11	64.0	1000	0	16	49	2.33	2177.23	103.21
12	64.0	900	0	0		50.08	7432.41	0.00
13	64.0	850	0	0		25.62	7001.86	26.25
14	64.0	850	0	0		27.98	7003.20	-105.00
15	64.0	850	0	0		11.68	6857.79	11.71
16	64.0	830	0	0		-142.82	6805.88	7.02
17	64.0	830	0	0		26.74	6625.25	9.95
18	64.0	800	0	0		18.61	6511.60	5.85
19	64.0	800	0	0		24.42	6436.65	12.86
20	64.0	830	0	0		23.28	6294.84	4.67
21	64.0	830	0	0		15.21	6349.08	-15.21
22	64.0	820	0	0		10.01	6166.79	4.05
23	64.0	820	0	0		18.68	6069.56	32.09
24	64.0	820	0	0		-140.13	6048.00	5.25
25	64.0	820	0	0		9.30	6091.05	2.34
26	64.0	815	0	0		25.59	5960.19	11.70
27	64.0	815	0	0		24.40	5925.65	12.87
28	64.0	815	0	0		17.42	5890.11	11.11
29	64.0	800	0	0		24.58	5841.59	-7.66
30	64.0	800	0	0		4.76	5819.99	-11.15
01	64.0	800	0	0		26.80	5659.04	-72.92
				23		186.79	194598.93	111.96

THE OILFIELD WORKSTATION
MONTHLY WELL DETAIL
ENRON OIL & GAS COMPANY

FOREMAN : SCHATZ, RICK 01000 PAGE NO : 01
ROUTE : LEWELLEN, RANDY 05000 AS OF : 09/29/93
LEASE NAME : PURE GOLD "B" FED #2 PROD DATE : 09/01/93
WELL NAME : PURE GOLD "B" FED #2

August 93

DAY	CHK/ SPM	TUB PSI	CAS PSI	DOWN HRS	RS	PROD OIL	PROD GAS	PROD WATER
BEG	TEST					0.00	0.00	0.00
02	64.0	700	0	0		11.65	3509.59	2.91
03	64.0	710	0	0		12.81	3652.89	5.84
04	64.0	710	0	0		15.19	3652.89	2.91
05	64.0	750	0	0		3.72	3790.78	2.92
06	64.0	720	0	0		11.70	3736.24	5.83
07	64.0	750	0	0		17.48	3736.24	14.59
08	64.0	750	0	0		11.64	3790.78	2.91
09	64.0	750	0	0		9.32	3560.40	0.00
10	64.0	780	0	0		10.48	3691.01	8.75
11	64.0	750	0	0		9.32	3562.36	2.92
12	64.0	750	0	0		10.48	3453.30	5.83
13	64.0	750	0	0		10.48	3465.44	8.75
14	64.0	920	0	0		18.64	3332.28	5.84
15	64.0	920	0	0		9.32	3229.90	5.83
16	64.0	800	0	0		15.14	3346.26	2.92
17	64.0	900	0	0		8.15	3312.63	5.83
18	64.0	700	0	0		13.98	3482.90	2.92
19	64.0	800	0	0		6.98	3525.50	5.83
20	0.0	1600	0	24	64	0.00	0.00	0.00
21	64.0	800	0	4	64	14.92	2751.12	5.83
22	64.0	800	0	0		12.86	3301.34	2.92
23	64.0	790	0	0		12.82	3255.80	5.83
24	64.0	770	0	0		15.14	3186.28	5.83
25	64.0	770	0	9	49	0.00	1128.47	0.00
26	0.0	770	0	24	49	-2.52	0.00	0.00
27	0.0	0	0	24	49	0.00	0.00	0.00
28	0.0	0	0	24	49	0.00	0.00	0.00
29	0.0	0	0	24	49	0.00	0.00	0.00
30	0.0	0	0	24	49	0.00	0.00	0.00
31	0.0	0	0	24	49	0.00	0.00	0.00
01	0.0	0	0	24	49	0.00	0.00	0.00
				205		259.70	77454.40	113.74

Morrow "A" + "C"

Atoka "A-3" recompletion

THE OILFIELD WORKSTATION
MONTHLY WELL DETAIL
ENRON OIL & GAS COMPANY

FOREMAN : SCHATZ, RICK 01000
ROUTE : LEWELLEN, RANDY 05000
LEASE NAME : PURE GOLD "B" FED #2
WELL NAME : PURE GOLD "B" FED #2

PAGE NO : 01
AS OF : 10/14/93
PROD DATE : 10/01/93

September 93

DAY	CHK/ SPM	TUB PSI	CAS PSI	DOWN HRS	RS	PROD OIL	PROD GAS	PROD WATER
BEG	TEST					0.00	0.00	0.00
02	0.0	0	0	24	49	0.00	0.00	-24.58
03	0.0	0	0	24	49	0.00	0.00	0.00
04	0.0	0	0	24	49	0.00	0.00	0.00
05	0.0	0	0	24	49	0.00	0.00	0.00
06	0.0	0	0	24	49	0.00	0.00	0.00
07	0.0	0	0	24	49	0.00	0.00	0.00
08	0.0	0	0	24	49	0.00	0.00	0.00
09	0.0	4600	0	24	49	0.00	0.00	0.00
10	0.0	4600	0	24	49	0.00	0.00	0.00
11	0.0	4600	0	24	49	0.00	0.00	0.00
12	0.0	4600	0	24	49	0.00	0.00	0.00
13	0.0	4650	0	24	49	0.00	0.00	0.00
14	0.0	4650	0	24	49	0.00	0.00	0.00
15	0.0	4650	0	24	49	0.00	0.00	0.00
16	64.0	650	0	8	49	5.82	972.40	32.09
17	64.0	650	0	0		11.51	735.67	64.83
18	64.0	650	0	0		3.50	484.92	43.75
19	0.0	4600	0	16	37	0.00	161.64	8.76
20	8.0	4600	0	0		2.33	407.78	-0.01
21	11.0	1440	0	0		6.99	556.89	32.09
22	11.0	1000	0	0		4.67	425.94	35.57
23	11.0	1000	0	0		1.16	377.83	40.84
24	12.0	875	0	0		1.16	382.10	23.33
25	12.0	850	0	0		2.33	354.58	52.49
26	12.0	840	0	0		1.17	366.21	40.84
27	12.0	820	0	0		2.33	358.84	35.00
28	12.0	800	0	0		1.16	356.00	32.09
29	12.0	800	0	0		2.33	355.72	37.92
30	12.0	800	0	0		2.33	348.81	37.91
01	12.0	800	0	0		1.17	360.25	32.09
				---		---	---	---
				---		---	---	---
				360		49.96	7005.58	525.01

THE OILFIELD WORKSTATION
MONTHLY WELL DETAIL
ENRON OIL & GAS COMPANY

FOREMAN : SCHATZ, RICK 01000
ROUTE : LEWELLEN, RANDY 05000
LEASE NAME : PURE GOLD "B" FED #2
WELL NAME : PURE GOLD "B" FED #2

PAGE NO : 01
AS OF : 11/30/93
PROD DATE : 11/01/93

October 93

DAY	CHK/ SPM	TUB PSI	CAS PSI	DOWN HRS	RS	PROD OIL	PROD GAS	PROD WATER
BEG	TEST					0.00	0.00	0.00
02	12.0	850	0	0		2.33	357.43	59.01
03	12.0	850	0	0		1.16	360.25	35.00
04	12.0	830	0	0		1.16	343.10	32.08
05	12.0	820	0	0		1.17	361.75	29.17
06	12.0	800	0	0		1.16	350.26	26.25
07	12.0	800	0	0		3.50	354.58	43.75
08	12.0	800	0	0		1.16	354.58	37.92
09	12.0	800	0	0		1.17	354.58	37.92
10	12.0	790	0	0		1.16	351.71	32.08
11	12.0	790	0	0		0.00	351.71	40.83
12	12.0	780	0	0		4.66	348.81	29.17
13	12.0	780	0	0		1.17	347.21	35.00
14	12.0	780	0	0		0.00	347.21	32.09
15	12.0	750	0	0		4.65	350.02	32.08
16	12.0	750	0	0		1.17	338.39	32.08
17	12.0	750	0	0		2.33	347.21	26.25
18	12.0	750	0	0		1.16	350.74	29.17
19	12.0	750	0	0		2.33	357.43	37.92
20	12.0	750	0	0		1.17	354.58	37.91
21	12.0	720	0	0		1.16	360.25	14.59
22	12.0	710	0	0		1.17	354.58	46.67
23	12.0	710	0	0		1.16	351.71	23.33
24	12.0	700	0	0		2.33	348.62	40.83
25	12.0	700	0	0		2.33	350.02	32.09
26	12.0	700	0	0		0.00	360.44	29.16
27	12.0	700	0	0		1.16	356.00	29.17
28	12.0	900	0	0		5.83	358.75	20.42
29	12.0	700	0	0		1.16	368.60	37.91
30	12.0	3650	0	5	64	2.47	292.24	41.29
31	12.0	1500	0	0		1.17	412.88	17.50
01	12.0	700	0	0		1.16	336.98	29.16
				---		---	---	---
				---		---	---	---
				5		53.71	10932.62	1027.80

THE OILFIELD WORKSTATION
MONTHLY WELL DETAIL
ENRON OIL & GAS COMPANY

FOREMAN : SCHATZ, RICK 01000
ROUTE : LEWELLEN, RANDY 05000
LEASE NAME : PURE GOLD "B" FED #2
WELL NAME : PURE GOLD "B" FED #2

PAGE NO : 01
AS OF : 01/18/94
PROD DATE : 01/01/94

December 93

DAY	CHK/ SPM	TUB PSI	CAS PSI	DOWN HRS	RS	PROD OIL	PROD GAS	PROD WATER
BEG	TEST					0.00	0.00	0.00
02	64.0	630	50	0		4.66	1402.27	109.70
03	64.0	650	50	0		11.65	1455.20	43.75
04	64.0	730	50	0		9.32	1369.93	29.17
05	64.0	730	50	0		5.82	1309.29	87.50
06	64.0	710	50	0		4.66	1206.88	90.42
07	64.0	670	50	0		6.99	1197.56	110.83
08	64.0	700	50	0		4.66	1197.56	90.42
09	64.0	720	50	0		10.54	1216.12	116.67
10	64.0	720	50	0		11.71	1146.17	43.75
11	64.0	700	50	0		1.58	1133.26	148.75
12	64.0	700	50	0		7.03	1146.17	110.83
13	64.0	750	50	0		4.66	1092.36	102.09
14	64.0	750	50	0		4.66	1092.36	107.91
15	64.0	770	50	0		4.66	1018.03	87.50
16	64.0	770	50	0		3.50	955.00	96.25
17	64.0	760	50	0		4.65	678.29	128.75
18	64.0	725	50	0		4.66	900.97	93.34
19	64.0	745	50	0		3.50	913.94	99.16
20	64.0	720	50	0		4.66	879.26	105.00
21	64.0	730	50	0		3.49	885.61	79.48
22	64.0	725	50	0		4.66	879.26	140.00
23	64.0	680	50	0		6.99	931.84	119.58
24	64.0	660	50	0		2.33	826.72	75.84
25	64.0	660	50	0		4.65	826.72	81.66
26	64.0	680	50	0		2.33	853.39	116.67
27	64.0	660	50	0		3.50	840.16	116.66
28	64.0	650	50	0		4.66	833.46	96.25
29	64.0	650	50	0		2.33	833.46	84.59
30	64.0	640	50	0		3.49	799.15	99.16
31	64.0	640	50	0		2.33	799.15	105.01
01	64.0	630	50	0		3.49	771.33	78.75
				---		---	---	---
				---		---	---	---
				0		157.82	31390.87	2995.44

THE OILFIELD WORKSTATION
MONTHLY WELL DETAIL
ENRON OIL & GAS COMPANY

FOREMAN : SCHATZ, RICK 01000
ROUTE : LEWELLEN, RANDY 05000
LEASE NAME : PURE GOLD "B" FED #2
WELL NAME : PURE GOLD "B" FED #2

PAGE NO : 01
AS OF : 01/17/94
PROD DATE : 01/16/94

Current Prod
12/17/93 to
12/16/94

DAY	CHK/ SPM	TUB PSI	CAS PSI	DOWN HRS	RS	PROD OIL	PROD GAS	PROD WATER
BEG	TEST					0.00	0.00	0.00
17	64.0	760	50	0		0.00	678.29	120.00
18	64.0	725	50	0		4.66	900.97	93.34
19	64.0	745	50	0		3.50	913.94	99.16
20	64.0	720	50	0		4.66	879.26	105.00
21	64.0	730	50	0		3.49	885.61	79.48
22	64.0	725	50	0		4.66	879.26	140.00
23	64.0	680	50	0		6.99	931.84	119.58
24	64.0	660	50	0		2.33	826.72	75.84
25	64.0	660	50	0		4.65	826.72	81.66
26	64.0	680	50	0		2.33	853.39	116.67
27	64.0	660	50	0		3.50	840.16	116.66
28	64.0	650	50	0		4.66	833.46	96.25
29	64.0	650	50	0		2.33	833.46	84.59
30	64.0	640	50	0		3.49	799.15	99.16
31	64.0	640	50	0		2.33	799.15	105.01
01	64.0	630	50	0		3.49	771.33	78.75
02	64.0	635	50	0		3.50	759.06	107.92
03	64.0	635	50	0		4.66	819.91	119.58
04	64.0	630	50	0		3.49	771.33	78.75
05	64.0	620	50	0		2.33	721.03	81.67
06	64.0	610	50	0		2.33	701.13	105.00
07	64.0	600	50	0		2.33	665.68	107.92
08	64.0	600	50	0		1.16	665.68	102.08
09	64.0	600	50	0		2.33	619.02	116.67
10	64.0	590	50	0		1.17	595.26	40.83
11	64.0	590	50	0		6.99	619.02	131.25
12	64.0	590	50	0		2.32	565.09	93.13
13	64.0	590	50	0		2.33	565.09	99.17
14	64.0	750	50	0		-104.82	1092.36	93.33
15	64.0	640	50	0		107.15	495.07	84.59
16	64.0	770	50	0		-98.99	955.00	-2.92
				---		---	---	---
				---		---	---	---
				0		-4.65	24062.44	2970.12

REPORT NO.
125379

PAGE NO. 1

TEST DATE
31-MAR-1993

STAR ™

A Schlumberger Transient Analysis Report

Based on Model Verified "Interpretation EXHIBIT C

Conventional BHPBU Morrow "C"

Schlumberger

COMPANY: ENRON OIL & GAS CO.

WELL: PURE GOLD "B" #2

TEST IDENTIFICATION

Test Type	Conventional
Test No.	1
Formation	MORROW "C"
Test Interval	14412 - 14448
Field Service Order	133079

COMPLETION CONFIGURATION

Total Depth (MD/TVD)	14525
Casing/Liner I.D. (in)	7" Csg.
Wellbore Radius (ft)	0.35417
Perforated Interval (ft)	36
Shot Density (spf)	12
Perforation Diameter (in)	-
Net Pay (ft)	23

INTERPRETATION RESULTS

Model of Behavior	Homogeneous
Fluid Type for Analysis	Gas
Reservoir Pressure (psia)	5920
Transmissibility (md-ft/cp)	1982.63
Effective Permeability (md)	1.7542
Skin Factor	29.734
DPskin (psi)	-
DPtotal (psi)	-
Storativity Ratio	-
Interporosity Flow Coeff.	-
Distance to an Anomaly (ft)	See Below
Radius of Investigation (ft)	-

WELL LOCATION

Field	WILDCAT
County	EDDY
State	NEW MEXICO
Location	-

TEST STRING CONFIGURATION

Tubing Length/I.D. (ft/in)	13750/1.995
Tubing Length/I.D. (ft/in)	-/-
Packer Depth (ft)	13750
Gauge Depth & Type	14430 / #20297
Downhole Valve	N

TEST CONDITION

Tbg/Wellhead Pressure (psig)	-
Separator Pressure (psig)	-

ROCK/FLUID/WELLBORE PROPERTIES

Oil Density (deg API)	-
Water Saturation (%)	-
Gas Gravity	0.65
GOR (scf/STB)	-
Water Cut (%)	-
Viscosity (cp)	0.02035
Total Compressibility (1/psi)	0.00113
Porosity (%)	12
Reservoir Temp. (deg F)	213
Form. Vol. Factor (vol/vol)	0.00524

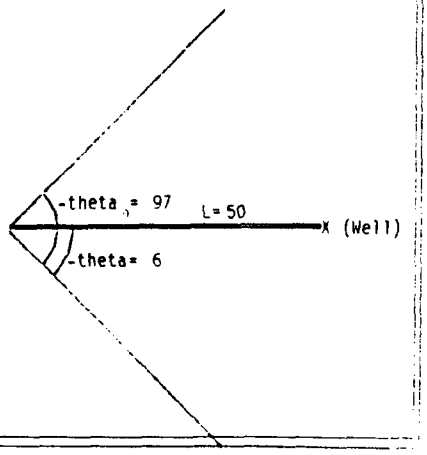
FINAL PRODUCTION RATE DURING TEST: 1800 MSCF/D

The results listed above were obtained from a Model Verified Log-Log analysis of the buildup data obtained on the Pure Gold "B" #2 well on 31-MAR-1993. The test consisted of a flow period of about 66 hours from the Morrow "C" sand with a final rate of 1800 mscf/d, followed by a 60 hour buildup period. The data was modeled as a homogeneous reservoir with decreasing wellbore storage and skin effects. Late-time behavior was modeled with a mixed angle boundary as shown in the schematic below. The complete affects of the boundaries are not seen during the test, therefore, the possibility of other boundary configurations are possible. Even with other outer boundary conditions, the distance should still be relatatively close to the wellbore.

A Semi-Log analysis was performed using superposition analysis techniques to account for the variable rate prior to the shutin period. This analysis produces results somewhat different to those obtained from the Model Verified analysis. This is believed due to the fact that the semi-log analysis does not account for the changing storage.

As a check of the interpretation procedure the verification plots (page 4) were generated that show how the simulated data from the model compare to the actual test data.

The gas depedent plots show a slight deviation from linear behavior of the fluid properties across the test range, therefore pseudo-pressure was used in the interpretation.



FLOW RATE HISTORY

Schlumberger

FLOW HISTORY

Reference Date: 31-MAR-1993 14:36:00

Date	Time of Day	Elapsed Time	Flowrate
DD-MMM-YYYY	HH:MM:SS	HR	MCF/d
28-MAR-1993	22:59:24	-63.6100	1500.9524
29-MAR-1993	08:29:24	-54.1100	1681.0667
30-MAR-1993	05:29:24	-33.1100	1711.0857
31-MAR-1993	05:29:24	-9.1100	1801.1428
31-MAR-1993	17:29:24	2.8900	0.0000

****
** WELL TEST DATA PRINTOUT **
****

COMPANY: Enron Oil & Gas Co.
WELL: Pure Gold "B" #2

FIELD REPORT NO. 125379
INSTRUMENT NO. 20297

RECORDER CAPACITY: 10014 PSI PORT OPENING: OUTSIDE DEPTH: 14430 FT

LABEL POINT INFORMATION
****

#	TIME OF DAY HH:MM:SS	DATE DD-MMM	EXPLANATION	ELAPSED TIME, HR	BOT HOLE PRESSURE PSIA	BOT HOLE TEMP. DEG F	DEPTH FT
1	15:10:00	31-MAR	GRADIENT STOP	0.567	466.69	79.64	0.0
2	15:24:30	31-MAR	GRADIENT STOP	0.808	465.72	80.98	2000.0
3	15:40:00	31-MAR	GRADIENT STOP	1.067	499.25	92.52	4000.0
4	15:54:00	31-MAR	GRADIENT STOP	1.300	563.99	108.76	6000.0
5	16:10:30	31-MAR	GRADIENT STOP	1.575	606.92	129.57	8000.0
6	16:22:00	31-MAR	GRADIENT STOP	1.767	650.52	146.62	10000.0
7	16:41:00	31-MAR	GRADIENT STOP	2.083	695.94	178.16	12400.0
8	16:53:30	31-MAR	GRADIENT STOP	2.292	744.68	164.34	14430.0
9	17:06:00	31-MAR	START FLOW	2.500	753.40	201.67	
10	17:29:24	31-MAR	END FLOW & START SHUT-IN	2.890	742.72	211.17	
11	5:30:00	3-APR	END SHUT-IN	62.900	5777.67	212.92	
12	6:04:00	3-APR	GRADIENT STOP	63.467	5555.65	185.13	12400.0
13	6:20:00	3-APR	GRADIENT STOP	63.733	5325.95	158.65	10000.0
14	6:34:00	3-APR	GRADIENT STOP	63.967	5146.06	134.96	8000.0
15	6:46:00	3-APR	GRADIENT STOP	64.167	4966.89	116.48	6000.0
16	7:02:00	3-APR	GRADIENT STOP	64.433	4772.00	96.00	4000.0
17	7:16:00	3-APR	GRADIENT STOP	64.667	4574.86	84.26	2000.0
18	7:30:00	3-APR	GRADIENT STOP	64.900	4379.16	69.57	0.0

SUMMARY OF FLOW PERIODS
****

PERIOD	START ELAPSED TIME, HR	END ELAPSED TIME, HR	DURATION HR	START PRESSURE PSIA	END PRESSURE PSIA	INITIAL PRESSURE PSIA
1	2.500	2.890	0.390	753.40	742.72	753.40

SUMMARY OF SHUTIN PERIODS
****

PERIOD	START ELAPSED TIME, HR	END ELAPSED TIME, HR	DURATION HR	START PRESSURE PSIA	END PRESSURE PSIA	FINAL FLOW PRESSURE PSIA	PRODUCING TIME, HR
1	2.890	62.900	60.010	742.72	5777.67	742.72	0.390

WF

REPORT NO. 135027
PAGE NO. 1
TEST DATE: 07-Sep-1993

S T A R

Schlumberger Transient Analysis Report

Based on Model Verified Interpretation

Conventional BHP BU Atoka

Schlumberger

COMPANY: Enron Oil & Gas Co.	WELL: Pure Gold "B" Federal #2

TEST IDENTIFICATION

Test Type	S/L Build-up
Test No.	One
Formation	Atoka Sand
Test Interval (ft)	13368 to 13376

WELL LOCATION

Field	Sand Dunes
County	Eddy
State	New Mexico

COMPLETION CONFIGURATION

Total Depth (MD/TVD) (ft)	
Casing/Liner I.D. (in)	4.5 / 3.826
Hole Size (in)	6.13
Perforated Interval (ft)	13368 to 13376
Shot Density (shots/ft)	1
Perforation Diameter (in)	.25
Net Pay (ft)	10

TEST STRING CONFIGURATION

Tubing Length (ft)/I.D. (in)	11409 / 2.441
Tubing Length (ft)/I.D. (in)	
Packer Depth (ft)	,
Gauge Depth (ft)/Type	13200/SB-20354
Downhole Valve (Y/N)/Type	

TEST CONDITIONS

Tbg/Wellhead Pressure (psi)	
Separator Pressure (psi)	

INTERPRETATION RESULTS

Model of Behavior	Homogeneous
Fluid Type Used for Analysis	Gas
Reservoir Pressure (psi)	7500
Transmissibility (md.ft/cp)	725.1
Effective Permeability (md)	0.195
Skin Factor	2.7
Radius of Investigation (ft)	356

ROCK/FLUID/WELLBORE PROPERTIES

Oil Density (deg. API)	60
Basic Solids (%)	
Gas Gravity	0.604
GLR (stb/mmscfd)	118.18
Water Cut (%)	96
Viscosity (cp)	0.032
Total Compressibility (1/psi)	4.43e-5
Porosity (%)	13
Reservoir Temperature (F)	143
Form.Vol.Factor (mcf/mcf)	0.00271

LAST RATE DURING TEST: 550 mcfd + 65 bwpd + 3 bopd

COMMENTS:

This Model Verified(tm) test of a 115 hour build-up with downhole electronic memory gauges, indicates a formation with fair permeability to gas with some wellbore damage and good formation pressure. No reservoir anomalies are seen for the radius of investigation of this test. Pages three and four are rate predictions for this interval with the existing completion and a hydraulic fracture. Note that these predictions assume the GLR stays constant and make no prediction about the effect of the treatment on the production of water.

There is a difference between the calculated permeabilities on this test and the MWPT run just after perforating. This test indicates a much lower (factor of 10) permeability. Also there is one unexplained anomaly on the data from the MWPT test. The pressure derviative turned down, indicative of a constant pressure boundary (such as a water drive). This was ignored on the MWPT analysis because due to the type of test, the radius of investigation is small and rarely are boundary conditions seen. We now know in fact, this is water. If the water has invaded the pore space of the gas where previously it was not, then the water has reduced the effective permeability to gas of this formation and the two test results make sense. Thank you for using Schlumberger. For questions about this report call Gil Hilsman (915) 694-1986.

FLOW RATE HISTORY

Schlumberger

FLOW HISTORY

Reference Date: 07-SEP-1993 08:20:00

Date	Time of Day	Elapsed Time	Flowrate
DD-MMM-YYYY	HH:MM:SS	HR	MCF/d
04-SEP-1993	05:56:00	-74.4000	610.3873
06-SEP-1993	05:56:00	-26.4000	550.3492
07-SEP-1993	12:57:45	4.6292	0.0000

****
** WELL TEST DATA PRINTOUT **
****

COMPANY: Enron Oil & Gas Company
WELL: Pure Gold "B" Federal #2

FIELD REPORT NO. 135027
INSTRUMENT NO. 20354

RECORDER CAPACITY: 10014 PSI PORT OPENING: OUTSIDE DEPTH: 13200 FT

LABEL POINT INFORMATION
****

#	TIME OF DAY HH:MM:SS	DATE DD-MMM	EXPLANATION	ELAPSED TIME, HR	BOT HOLE PRESSURE PSIA	BOT HOLE TEMP. DEG F	DEPTH FT
1	8:56:00	7-SEP	GRADIENT STOP	0.600	103.44	76.51	0.0
2	9:17:30	7-SEP	GRADIENT STOP	0.958	224.00	82.94	3000.0
3	9:32:00	7-SEP	GRADIENT STOP	1.200	526.33	105.14	6000.0
4	9:52:00	7-SEP	GRADIENT STOP	1.533	1038.07	139.58	9000.0
5	10:02:00	7-SEP	GRADIENT STOP	1.700	1146.78	152.87	10000.0
6	10:10:15	7-SEP	GRADIENT STOP	1.837	1194.18	160.86	11000.0
7	10:23:15	7-SEP	GRADIENT STOP	2.054	1162.53	173.71	12000.0
8	10:32:00	7-SEP	GRADIENT STOP	2.200	1106.70	177.93	12500.0
9	10:39:45	7-SEP	GRADIENT STOP	2.329	1066.32	179.35	13000.0
10	10:50:45	7-SEP	GRADIENT STOP	2.513	980.47	177.62	13200.0
11	10:53:15	7-SEP	START FLOW	2.554	960.20	177.42	
12	12:57:45	7-SEP	END FLOW & START SHUT-IN	4.629	1152.77	174.19	
13	7:26:00	12-SEP	END SHUT-IN	119.100	7330.62	192.53	
14	7:35:00	12-SEP	GRADIENT STOP	119.250	7234.26	191.60	13000.0
15	7:46:00	12-SEP	GRADIENT STOP	119.433	7008.97	186.88	12500.0
16	7:53:00	12-SEP	GRADIENT STOP	119.550	6784.36	181.25	12000.0
17	8:02:15	12-SEP	GRADIENT STOP	119.704	6332.35	171.18	11000.0
18	8:11:30	12-SEP	GRADIENT STOP	119.858	5907.24	160.87	10000.0
19	8:20:15	12-SEP	GRADIENT STOP	120.004	5802.15	149.95	9000.0
20	8:32:00	12-SEP	GRADIENT STOP	120.200	5475.06	122.46	6000.0
21	8:44:00	12-SEP	GRADIENT STOP	120.400	5142.63	95.69	3000.0
22	8:56:00	12-SEP	GRADIENT STOP	120.600	4791.11	79.01	0.0

SUMMARY OF FLOW PERIODS
****

PERIOD	START ELAPSED TIME, HR	END ELAPSED TIME, HR	DURATION HR	START PRESSURE PSIA	END PRESSURE PSIA	INITIAL PRESSURE PSIA
1	2.554	4.629	2.075	960.20	1152.77	960.20

SUMMARY OF SHUTIN PERIODS
****

PERIOD	START ELAPSED TIME, HR	END ELAPSED TIME, HR	DURATION HR	START PRESSURE PSIA	END PRESSURE PSIA	FINAL FLOW PRESSURE PSIA	PRODUCING TIME, HR
1	4.629	119.100	114.471	1152.77	7330.62	1152.77	114.20

EXHIBIT D

MORROW "A" & "C"

Laboratory Services
1331 Tasker Drive
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

FOR: Jarrel Services, Inc.
Attention: Mr. Donnie Dickerson
P. O. Box 1230
Hobbs, New Mexico 88240

SAMPLE IDENTIFICATION: Pure Gold "B" Federal #2
COMPANY: Enron Oil & Gas
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED:
ANALYSIS DATE: 05-11-93
SAMPLE TEMP. °F
ATMOS. TEMP. °F

GAS (XX) LIQUID ( )
SAMPLED BY: Jarrel Services
ANALYZED BY: Wimble Walker

REMARKS:

COMPONENT ANALYSIS

COMPONENT		MOL PERCENT	GPM
Hydrogen Sulfide	(H2S)		
Nitrogen	(N2)	0.75	
Carbon Dioxide	(CO2)	0.73	
Methane	(C1)	95.71	
Ethane	(C2)	2.01	0.535
Propane	(C3)	0.37	0.102
I-Butane	(IC4)	0.07	0.022
N-Butane	(NC4)	0.07	0.021
I-Pentane	(IC5)	0.02	0.007
N-Pentane	(NC5)	0.01	0.004
Hexane	(C6)	0.26	0.112
Heptanes Plus	(C7+)	0.00	0.000
		100.00	0.803

BTU/CU.FT.				
AT 14.696	DRY	1030	MOLECULAR WT.	16.9749
AT 14.650	DRY	1026		
AT 14.650	WET	1005	26# GASOLINE -	0.130
AT 15.025	DRY	1053		
AT 15.025	WET	1058		

SPECIFIC GRAVITY -
CALCULATED 0.586
MEASURED

Laboratory Services

1331 Tasker Drive
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

ATOKA

FOR: Enron Oil & Gas Company
Attention: Mr. Rick Schotz
P. O. Box 3229
Carlsbad, New Mexico 88220

SAMPLE IDENTIFICATION: Pure Gold Fed. B #2
COMPANY: Enron Oil & Gas
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED: 11-13-93 2:00 PM
ANALYSIS DATE: 11-15-93
PRESSURE - PSIG 680.00
SAMPLE TEMP. °F
ATMOS. TEMP. °F 74.00

GAS (XX) LIQUID ( )
SAMPLED BY: Ray Gallagher-Pro Well
ANALYSIS BY: Vickie Walker

REMARKS: Sample Taken @ Meter Run.

COMPONENT ANALYSIS

COMPONENT		MOL PERCENT	GPM
Hydrogen Sulfide	(H2S)		
Nitrogen	(N2)	0.73	
Carbon Dioxide	(CO2)	3.26	
Methane	(C1)	90.88	
Ethane	(C2)	3.41	0.908
Propane	(C3)	0.78	0.214
I-Butane	(IC4)	0.15	0.050
N-Butane	(NC4)	0.17	0.055
I-Pentane	(IC5)	0.11	0.038
N-Pentane	(NC5)	0.07	0.025
Hexane	(C6)	0.44	0.190
Heptanes Plus	(C7+)	0.00	0.000
		100.00	1.480

BTU/CU.FT. - DRY	1036	MOLECULAR WT.	18.2810
AT 14.650 DRY	1033		
AT 14.650 WET	1015	26# GASOLINE -	0.271
AT 15.025 DRY	1060		
AT 15.025 WET	1041		

SPECIFIC GRAVITY -
CALCULATED 0.631
MEASURED

EXHIBIT E

Martin Water Laboratories, Inc.
WATER CONSULTANTS SINCE 1953
BACTERIAL AND CHEMICAL ANALYSES

P.O. BOX 1468
MONAHANS, TEXAS 79756
PH. 943-3234 or 563-1040

709 W. INDIANA
MIDLAND, TEXAS 79701
PHONE 683-4521

January 4, 1994

Mr. Hal Crabb
Enron Oil & Gas Company
P.O. Box 2267
Midland, TX 79702

Dear Mr. Crabb:

The objective herein is to provide an evaluation of compatibility of Atoka and Morrow waters from Pure Gold "B" Federal #2. Our Atoka record is recorded on laboratory #119388 (11-15-93), and the Morrow is recorded on laboratory #99319 (9-7-93).

In regard to the above objective, the results reveal no evidence of any incompatibility resulting from combining the Atoka and Morrow waters in this well. However, it should be clarified that both waters showed to be mildly supersaturated with barium sulfate, but mixing of the waters would not be expected to significantly alter the condition in either water. The magnitude of the supersaturation in the individual waters is insufficient to be completely confident that barium sulfate deposits can be expected from producing of each of these waters individually or a combination of the waters. However, it does have sufficient potential to maintain close observation over this possibility.

Yours very truly,

Waylan C. Martin

WCM/mo

EXHIBIT F

PURE GOLD "B" FEDERAL NO. 2
COMPARATIVE ECONOMICS - DUAL vs. SINGLE COMPLETION

DUAL

Intangible:

Well Service Unit-14 days @ $1,350/day	$18,900
Supervision-14 days @ $500/day	7,000
Coiled tubing unit	30,000
Rentals-BOP, frac tanks, etc	10,000
Transportation	10,000
Completion fluids	12,000
Hydrotesting	9,000
Other expense	10,000
SUBTOTAL	106,900

Tangible:

11,500' 2-3/8" 4.7 lb/ft P-110 tubing	32,000
Stinger redress for Otis packer	1,000
Dual flow assembly, HLT packer, etc	35,000
Dual wellhead	5,000
Gas Production Unit	10,000**
Tank	6,000**
Flow line & misc	2,000**
Construction cost	6,000**
Miscellaneous	4,000
SUBTOTAL	77,000
TOTAL	183,900

COMMINGLE

Coiled tubing	15,000
Jet cut	2,500
Supervision	1,000
TOTAL	18,500

Hal Crabb, III
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EXHIBIT G

PROCEDURE TO DUALLY COMPLETE ATOKA AND MORROW

1) Kill Atoka w/10# brine w/additives.

2) MIRU Well Service Unit. Install BPV if necessary. ND tree, NU 10,000 psig BOP w/2-7/8", 2-3/8", blind rams, accumulator.

3) Pick up on tubing and unseat Lindsay seal assembly from PBR @ 11,532'. Circulate hole w/10# brine to ensure well is dead. POH w/2-7/8" and 2-3/8" tubing. LD seal assembly, stand back tubing.

4) RIH w/liner top dressing mill on 2-7/8" tubing. Dress off tieback sleeve @ 11,532'. POH.

5) RIH w/notched collar, 2-7/8" x 2-3/8" tapered tubing string. Wash out sand, Temblock over packer @ 13,700'. Circulate hole clean and POH.

6) PU HLT packer, setting tool, and RIH w/same on 2-7/8" tubing. RIH very slowly due to close tolerances. Set packer in tieback sleeve and POH w/setting tool and tubing.

7) RIH w/long string as follows, hydrotesting in hole:
seal assembly to sting into Otis packer
Blast joint across Atoka
2,200' 2-3/8" tubing
Lindsay dual flow assembly
11,530' 2-7/8" tubing

8) Space out, circulate hole w/10 lb./gal. packer fluid, and sting into lower packer and HLT packer.

9) Rig up Cudd coiled tubing unit. Jet long string dry w/nitrogen.

10) Rig up Jarrel Service's electric line, lubricator. Jet cut tailpipe in packer @ 13,700' immediately above CIBP.

11) Open Morrow to sales and flow test. Ensure long string is performing properly. SI and proceed to next step.

12) RIH w/short string as follows, hydrotesting in hole:
seal assembly for dual flow assembly
11,532' 2-3/8", 4.7# P-105 tubing.

13) Space out and sting into dual flow assembly.

14) Set Atoka gas production unit, tank, meter run, surface piping and valves.

15) Rig up Cudd coiled tubing unit. Jet short string fluid level down w/nitrogen.

16) Open Atoka to sales and flow test. Ensure short string is performing properly.

Hal Crabb, III
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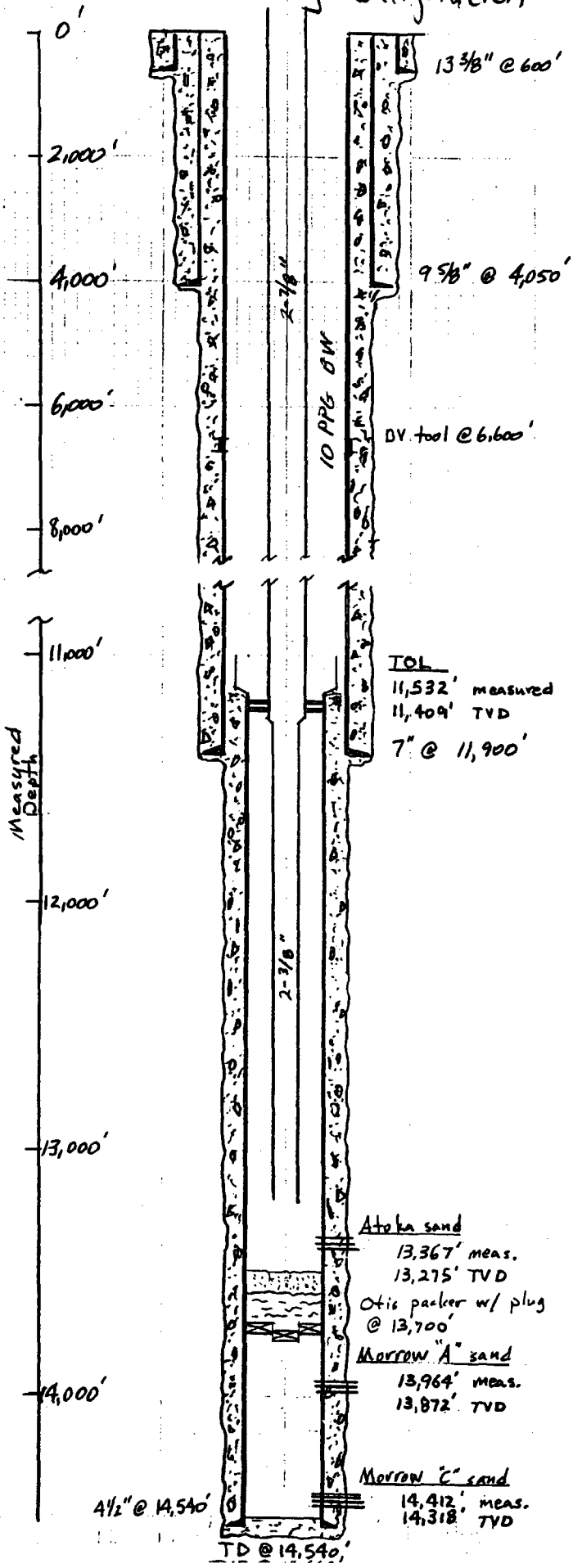
01/18/94

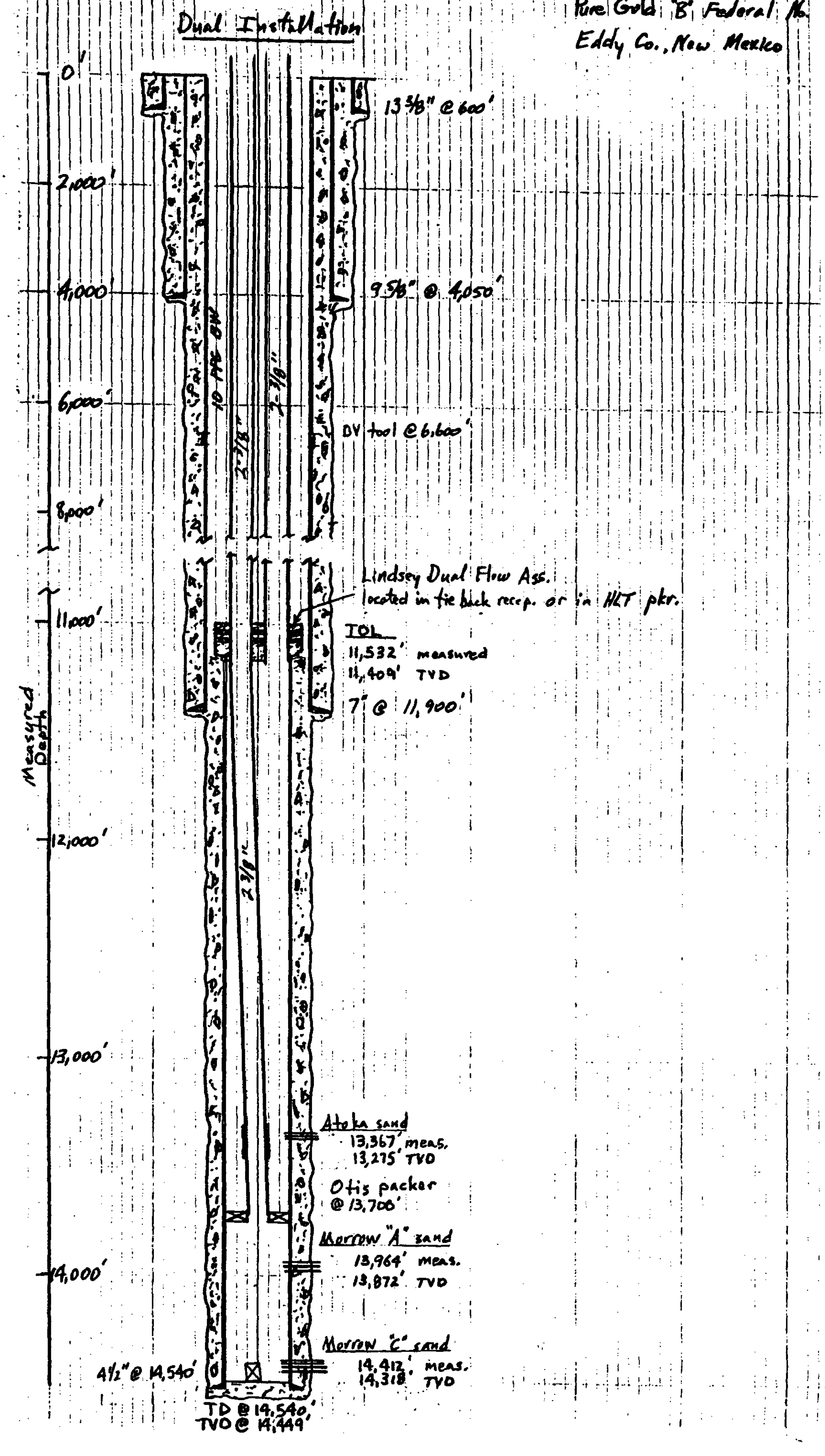
EXHIBIT H

Atoka Test

Existing Configuration

Pure Gold "B" Federal No. 2
Eddy Co., New Mexico




Dual Installation
Pure Gold "B" Federal No.
Eddy Co., New Mexico
0'
2,000'
4,000'
6,000'
8,000'
11,000'
12,000'
13,000'
14,000'
Measured Depth
13 3/8" @ 600'
9 5/8" @ 4,050'
DV tool @ 6,600'
10 ppg BW
2 7/8"
2 3/8"
Lindsey Dual Flow Ass.
located in tie back recep. or in HLT pkr.
TOL
11,532' measured
11,409' TVD
7" @ 11,900'
Atoka sand
13,367' meas.
13,275' TVD
Otis packer
@ 13,700'
Morrow "A" sand
13,964' meas.
13,872' TVD
Morrow "C" sand
14,412' meas.
14,318' TVD
4 1/2" @ 14,540'
TD @ 14,540'
TVD @ 14,449'

PROPOSED COMMINGLING

Pure Gold "B" Federal No. 2
Eddy Co., New Mexico

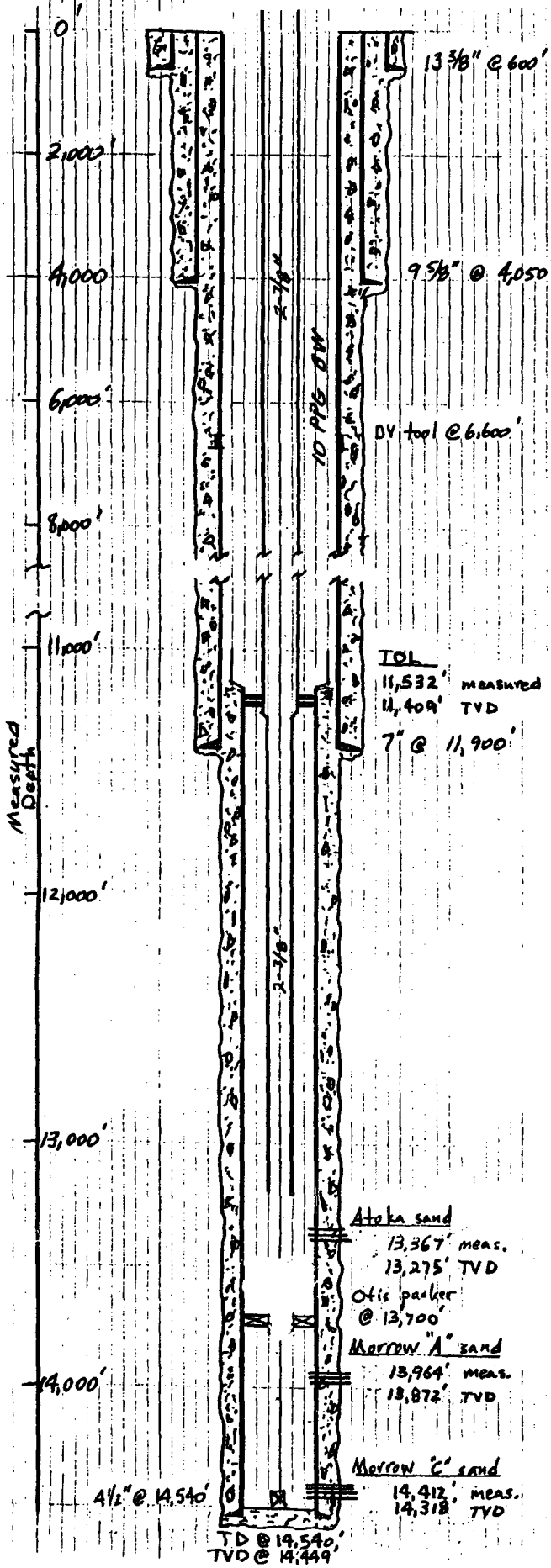


EXHIBIT " I "
Pure Gold "B" Federal No. 2
Offset Lease Ownership

Santa Fe Energy Operating Partners, L.P.
550 W. Texas, Suite 1330
Midland, Texas 79701
Attn: Gary Green

Pogo Producing Company
P. O. Box 10340
Midland, Texas 79702-7340
Attn: R. Scott McDaniel

Kaiser-Francis Oil Company
6733 South Yale Ave. (74136)
P. O. Box 35528
Tulsa, Oklahoma 74135
Attn: Jim Wakefield

Perry R. Bass, Inc.
Lee M. Bass, Inc.
Thru Line, Inc.
Sid R. Bass, Inc.
Keystone, Inc.
%Bass Enterprises Production Co.
201 Main Street
Fort Worth, Texas 76102-3105
Attn: Jens Hansen

Perry R. Bass, Inc.
Lee M. Bass, Inc.
Thru Line, Inc.
Sid R. Bass, Inc.
Keystone, Inc.
%Bass Enterprises Production Co.
P. O. Box 2760
Midland, Texas 79702
Attn: John Smitherman

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Attn: Mr. Randy G. Patterson

Shell Western E&P Inc.
P. O. Box 576
Houston, Texas 77001
Attn: Prod. Dept.

Comanche Oil & Gas Co.
1031 Andrews Highway, Suite 101
Midland, Texas 79701

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762
Attn: James S. Welin

Meridian Oil Prod. Inc.
21 Desta Dr. (79701)
P. O. Box 51810
Midland, Texas 79710

Royalty Ownership:
Bureau of Land management
Roswell District Office
1717 West Second Street
Roswell, N.M. 88201-2019

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ENRON
Oil & Gas Company

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

January 28, 1994

CERTIFIED MAIL - RETURN RECEIPT

SEE ATTACHED ADDRESSEE LIST

RE: Application For Downhole Commingling
Pure Gold "B" Federal No. 2
660' FNL, 1980' FEL Section 20-T23S-R31E
Eddy County, New Mexico

Gentlemen:

Enclosed please find Enron Oil & Gas Company's application to the New Mexico Oil Conservation Division for Administrative approval for downhole commingling of production from the Morrow and Atoka formations in its Pure Gold "B" Federal No. 2 well.

It is requested that your company waive objection to this application by executing and returning the enclosed waiver letters to the undersigned and to the Division. Any objections to this application should be filed with the Division within twenty (20) days of the filing of this application. Failure to object will preclude you from challenging this application at a later date.

Enron has also filed an application for hearing on this matter in the event administrative approval is not granted. This hearing date has been requested for February 17, 1994. A separate notice concerning this hearing has already been sent to your company. In the event this matter is approved administratively, the hearing will be dismissed.

Your timely response is most appreciated.

Sincerely,

ENRON OIL & GAS COMPANY

Patrick J. Tower
Project Landman

PJT/ms
enclosures

cc: William Carr
Campbell, Carr, Berge & Sheridan
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Santa Fe Energy Operating Partners, L.P.
550 W. Texas, Suite 1330
Midland, Texas 79701
Attention: Gary Green

Pogo Producing Company
P. O. Box 10340
Midland, Texas 79702-7340
Attention: R. Scott McDaniel

Kaiser-Francis Oil Company
6733 South Yale Avenue
P. O. Box 35528
Tulsa, Oklahoma 74135
Attention: Jim Wakefield

Perry R. Bass, Inc.
Lee M. Bass, Inc.
Thru Line, Inc.
Sid R. Bass, Inc.
Keystone, Inc.
% Bass Enterprises Production Co.
201 Main Street
Fort Worth, Texas 76102-3105
Attention: Jens Hansen

Perry R. Bass, Inc.
Lee M. Bass, Inc.
Thru Line, Inc.
Sid R. Bass, Inc.
Keystone, Inc.
% Bass Enterprises Production Co.
P. O. Box 2760
Midland, Texas 79702
Attention: John Smitherman

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Attention: Randy G. Patterson

Shell Western E&P Inc.
P. O. Box 576
Houston, Texas 77001
Attention: Production Dept.

Comanche Oil & Gas Co.
1031 Andrews Highway, Suite 101
Midland, Texas 79701

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762
Attention: James S. Welin

Meridian Oil Prod. Inc.
21 Desta Drive
P. O. Box 51810
Midland, Texas 79710

State of New Mexico
Energy & Mineral Management
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Royalty Ownership:
Bureau of Land Management
Roswell District Office
1717 West Second Street
Roswell, New Mexico 88201-2019

January 28, 1994

Mr. William J. LeMay
New Mexico Oil Conservation Division
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

RE: Enron Oil & Gas Company's Application for Downhole Commingling of Production from the Morrow and Atoka formations in the wellbore of its Pure Gold "B" Federal No. 2 Well located 660' FNL and 1980' FEL of Section 20, T-23-S, R-31-E, Eddy County, N. M., Morrow formation, West Sand Dunes-Morrow Gas Pool and Atoka formation, West Sand Dunes-Atoka Gas Pool

Gentlemen:

Please be advised that _____ does not object to the Downhole Commingling application referenced above.

Very truly yours,

_____

By:_____

_____

CC: ENRON OIL & GAS COMPANY
P.O. BOX 2267
MIDLAND, TX 79702
ATTN: PATRICK J. TOWER

POGO PRODUCING COMPANY

January 28, 1994

DHC-992

Mr. William J. LeMay
New Mexico Oil Conservation Division
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

RE: Enron Oil & Gas Company's Application for Downhole Commingling of Production from the Morrow and Atoka formations in the wellbore of its Pure Gold "B" Federal No. 2 Well located 660' FNL and 1980' FEL of Section 20, T-23-S, R-31-E, Eddy County, N.M., Morrow formation, West Sand Dunes-Morrow Gas Pool and Atoka formation, West Sand Dunes-Atoka Gas Pool

Gentlemen:

Please be advised that Pogo Producing Company does not object to the Downhole Commingling application referenced above.

Very truly yours,

POGO PRODUCING COMPANY

Jerry A. Cooper

Jerry A. Cooper
Vice President

cc: Enron Oil & Gas Company
P. O. Box 2267
Midland, Texas 79702
Attention: Patrick J. Tower

500 WEST ILLINOIS, SUITE 600 • POST OFFICE BOX 10340 • MIDLAND, TEXAS 79702-7340 • 915/682-6822 • FAX 915/682-9139

RECEIVED

JAN 31 1994

PROD. SERV.

January 28, 1994

Mr. William J. LeMay
New Mexico Oil Conservation Division
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

RE: Enron Oil & Gas Company's Application for Downhole Commingling of Production from the Morrow and Atoka formations in the wellbore of its Pure Gold "B" Federal No. 2 Well located 660' FNL and 1980' FEL of Section 20, T-23-S, R-31-E, Eddy County, N. M., Morrow formation, West Sand Dunes-Morrow Gas Pool and Atoka formation, West Sand Dunes-Atoka Gas Pool

Gentlemen:

Please be advised that Meridian Oil Inc. does not object to the Downhole Commingling application referenced above.

Very truly yours,

Connie L. Malik

By: Connie L. Malik
Regulatory Compliance Rep

CC: ENRON OIL & GAS COMPANY
P.O. BOX 2267
MIDLAND, TX 79702
ATTN: PATRICK J. TOWER

January 28, 1994

Mr. William J. LeMay
New Mexico Oil Conservation Division
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

RE: Enron Oil & Gas Company's Application for Downhole Commingling of Production from the Morrow and Atoka formations in the wellbore of its Pure Gold "B" Federal No. 2 Well located 660' FNL and 1980' FEL of Section 20, T-23-S, R-31-E, Eddy County, N. M., Morrow formation, West Sand Dunes-Morrow Gas Pool and Atoka formation, West Sand Dunes-Atoka Gas Pool

Gentlemen:

Please be advised that Comanche Oil & Gas Company does not object to the Downhole Commingling application referenced above.

Very truly yours,

Comanche Oil & Gas Company

By: [signature]

Managing Partner

CC: ENRON OIL & GAS COMPANY
P.O. BOX 2267
MIDLAND, TX 79702
ATTN: PATRICK J. TOWER