

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

SUBMIT IN TRIPPLICATE*
 (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
 510' FSL & 660' FWL
 At proposed prod. zone
 510' FSL & 660' FWL

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

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 510 510

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.
 1320' to #2 12600

19. PROPOSED DEPTH
 12600

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, BT, GR, etc.)
 3443' GR

22. APPROX. DATE WORK WILL START*

5. LEASE DESIGNATION AND SERIAL NO.
 NM 18640-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
 Half 6 Federal #3

9. A/WELL NO.

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

11. SEC., T., R., M., OR RLK. AND SURVEY OR AREA
 Sec 6, T25S, R34E

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	11-3/4 H-40 ST&C	42	650	250 sx CIRCULATED
11	8-5/8 J-55 ST&C	32	5200	1100 sx CIRCULATED
7-7/8	5-1/2 P-110 LT&C	17#	12600	1400 sx TOC est @ 4.00

OPER. OGRID NO. 7377
 PROPERTY NO. 15412
 POOL CODE 51030
 EFF. DATE 9-26-94
 APINO. 30-D25-32680

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

NM 18640-A
 Sec 6, T25S, R34E
 Bone Spring Formation
 Federal Bond # is MT 0748 with endorsement to New Mexico

Acreage is dedicated to a pipeline.

IN ABOVE SPACE 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 directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Betty Gildon Betty Gildon TITLE Regulatory Analyst DATE 8/15/94

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

(ORIG. SGD.) RICHARD L. MANUS

AREA MANAGER

APPROVED BY _____ TITLE _____ DATE 9-23-94

*See Instructions On Reverse Side

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AMERICAN
OFFICE

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 HALF "6" FEDERAL			⁶ Well Number 3
⁷ OGRID No. 7377		⁸ Operator Name ENRON OIL & GAS COMPANY			⁹ Elevation 3443

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
7	6	25-S	34-E		510	SOUTH	660	WEST	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 79.26 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

16					<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</p> <p>Betty Gildon</p> <p>Printed Name</p> <p>Regulatory Analyst</p> <p>Title</p> <p>8/15/94</p> <p>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>AUG. 1, 1994</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>Earl Foote</i></p> <p>REGISTERED PROFESSIONAL LAND SURVEYOR</p> <p>8278</p>	
<p>660'</p> <p>510'</p>						
<p>Certificate Number 8278</p>						

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OFFICE

DRILLING PROGRAM

Enron Oil & Gas Company
Half 6 Federal, Well No. 3
510' FSL & 660' FWL
Sec. 6, T25S, R34E
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	12300'
TD	12600'

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

Upper Permian Sands	100'	Fresh Water
3rd Bone Spring Sand	12300'	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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Enron Oil & Gas Company
Half 6 Federal, Well No. 3
510' FSL & 660' FWL
Sec. 6, T25S, R34E
Lea County, New Mexico

4. Casing Program:

<u>Hole Size</u>	<u>Interval</u>	<u>OD csq</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	32# J-55 ST&C
7-7/8	0-12600'	5-1/2	17# P-110 LT&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 1400 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 2500 psi and the annular to 70% of rated working pressure (1750 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 5000 psi WP rating.

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U.S. DEPARTMENT OF THE ARMY
WASHINGTON, D.C.

Enron Oil & Gas Company
Half 6 Federal, Well No. 3
510' FSL & 660' FWL
Sec. 6, T25S, R34E
Lea County, New Mexico

6. Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with a combination of brine, cut brine, and polymer/KCl mud system. The applicable depths and properties of this system are as follows:

<u>Depth</u>	<u>Type</u>	<u>Weight (ppg)</u>	<u>Viscosity (sec)</u>	<u>Waterloss (cc)</u>
0-650'	Fresh water (spud)	8.5	40-45	N.C.
650'-5200'	Brine water	10.0	30	N.C.
5200'-TD	Cut Brine & Polymer/KCl	8.8-9.2	28	N.C.

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the wellsite at all times.

7. Auxiliary Well Control and Monitoring Equipment:

- (A) A kelly cock will be kept in the drill string at all times.
- (B) A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.
- (C) A mud logging unit complete with H₂S detector will be continuously monitoring drilling penetration rate and hydrocarbon shows from 10,000' to TD.

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510' FSL & 660' FWL
Sec. 6, T25S, R34E
Lea County, New Mexico

8. Logging, Testing and Coring Program:

- (A) The electric logging program will consist of GR-Dual Laterolog-MSFL and GR-Compensated Density-Neutron from TD to intermediate casing with a GR-Compensated Neutron ran from intermediate casing to surface.
- (B) Possible side wall cores based on shows.

9. Abnormal Conditions, Pressures, Temperatures, & Potential Hazards:

No abnormal pressures or temperatures are anticipated. No hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. No major loss circulation zones have been reported in offsetting wells.

Anticipated Starting Date and Duration of Operations:

Road and location work will not begin until approval has been received from the BLM. Anticipated spud date is unknown at the present time. Once drilling has commenced, the drilling operation should be finished in approximately 25 days. If the well is productive, an additional 30 to 45 days will be required for completion and testing before a decision is made to install permanent facilities.

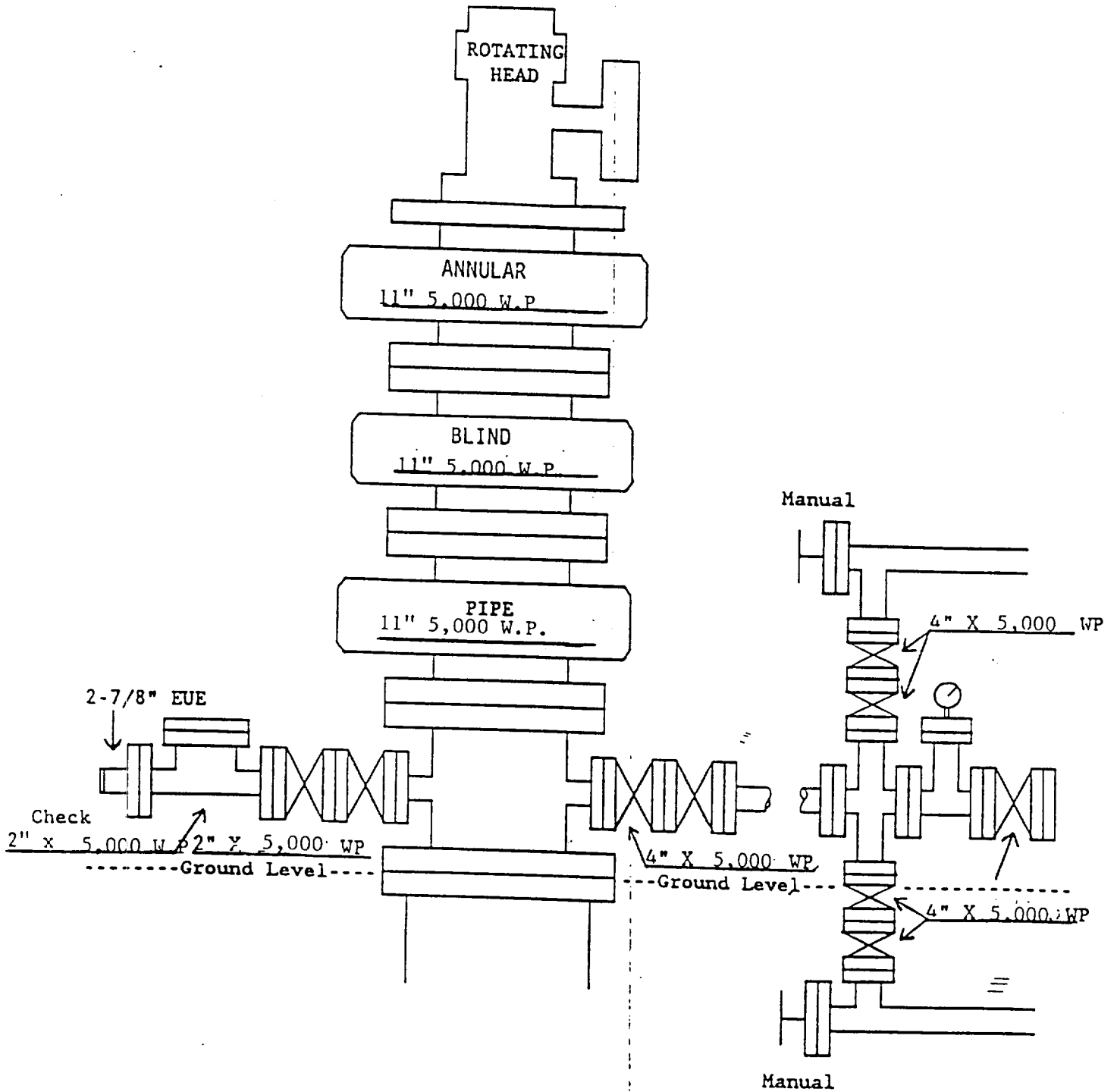
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ATTORNEY GENERAL

SEP 27 1994

STATE OF NEW YORK
ALBANY

ENRON OIL & GAS COMPANY

Half 6 Federal #3



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