

**ENRON**  
Oil & Gas Company

OIL CONSERVATION DIVISION  
RECEIVED

NOV 16 AM 9 06

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

November 13, 1992

New Mexico Oil Conservation Division  
P. O. Box 2088  
Stant Fe, New Mexico 87501

Attn: Mike Stogner

In Re: Diamond SM-36 State, Well No. 2  
Application for Unorthodox Well  
Section 36, T24S, R33E  
Lea County, New Mexico

Dear Mr. Stogner:

Please find enclosed three copies of an Application for Permit To Drill the above-named well as an unorthodox location filed with the NMOCD in Hobbs.

Also enclosed for your consideration are three copies each of a Cross-Section, Isopach Map and Mud Log.

The below listed offset operators were notified of this application via certified mail on November 12, 1992.

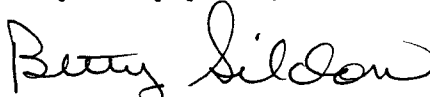
Southland Royalty Company  
21 Desta Drive  
Midland, Texas 79705  
Attn: Dennis Sledge  
P 322 183 167

Yates Petroleum Corp.  
105 South 4th Street  
Artesia, NM 88210  
Attn: Randy Patterson  
P 322 183 168

Hallwood Petroleum, Inc.  
4582 South Ulster Street Parkway  
Stanford Place III, Suite 1700  
P. O. Box 378111  
Denver, Colorado 80237  
P 322 183 169

If you need any additional information, please let me know.

Very truly yours,



Betty Gildon  
Regulatory Analyst

BG

Part of the Enron Group of Energy Companies

cc: NMOCD  
Hobbs

Submit to Appropriate  
District Office  
State Lease - 6 copies  
Fee Lease - 5 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-101  
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

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

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

LG-4235

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☐

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL  
WELL ☐

GAS  
WELL ☐

OTHER ☐

SINGLE  
ZONE ☐

MULTIPLE  
ZONE ☐

7. Lease Name or Unit Agreement Name

Diamond SM-36 State

2. Name of Operator

Enron Oil & Gas Company

8. Well No.

2

3. Address of Operator

P. O. Box 2267, Midland, Texas 79702

9. Pool name or Wildcat

Pitchfork Ranch (Morrow)

4. Well Location

Unit Letter

N

: 990

Feet From The

south

Line and

1980

Feet From The

west

Line

Section

36

Township

24S

Range

33E

NMPM

Lea

County

10. Proposed Depth

15,600'

11. Formation

Morrow

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

3477' GL

14. Kind & Status Plug. Bond

Blanket-Active

15. Drilling Contractor

Unknown at present

16. Approx. Date Work will start

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
20	16	65	650	600	Circulated
14-3/4	10-3/4	45.5 & 40.5	5200	3000	Circulated
9-1/2	7-5/8	33.7 & 29.0	13300	2000	7000
6-1/2	4-1/2" Liner	15.10	15650	360	13325

BOP - Install at 5200' with 3000# cap and 2450# annular preventor. At 13,300' increase to 10,000# cap with 5000# annular preventor. Will use standard surface-controlled BOP installation.

Acreage is dedicated.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

*Betty Gildon*

TITLE

Regulatory Analyst

DATE

11/13/92

TYPE OR PRINT NAME

Betty Gildon

915/686-3714

TELEPHONE NO.

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

**DISTRICT I**  
P. O. Box 1980  
Hobbs, NM 88240

**DISTRICT II**  
P. O. Drawer DD  
Artesia, NM 88210

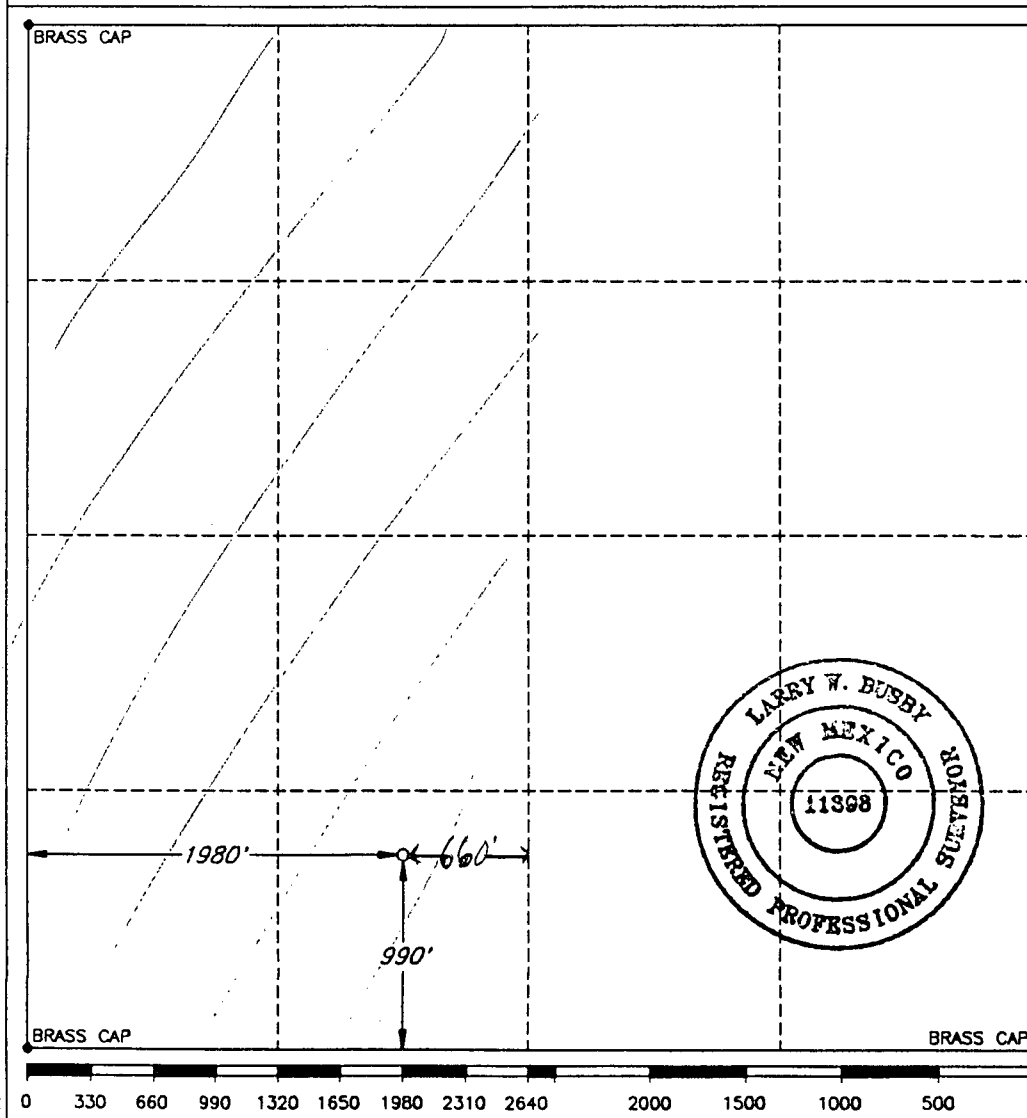
**OIL CONSERVATION DIVISION**  
P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

**DISTRICT III**  
1000 Rio Brazos Rd  
Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**  
All distances must be from the outer boundaries of the section.

Operator <b>ENRON OIL &amp; GAS COMPANY</b>			Lease <b>DIAMOND "SM 36" STATE</b>		Well No. <b>2</b>
Unit Letter <b>N</b>	Section <b>36</b>	Township <b>24 SOUTH</b>	Range <b>33 EAST, N.M.P.M.</b>	County <b>LEA</b>	
Actual Footage Location of Well					
990'		feet from the	<b>SOUTH</b>	line and	1980'
					feet from the
					<b>WEST</b>
					line
Ground Level Elev. <b>3477'</b>	Producing Formation <b>Morrow</b>		Pool <b>Pitchfork Ranch</b>		320 W/2 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all the owners been consolidated by communitization, unitization, forced-pooling, etc.?  
☐ Yes ☐ No If answer is "yes", type of consolidation \_\_\_\_\_  
If the answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use the reverse side of this form if necessary.) \_\_\_\_\_  
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the division.



**OPERATOR CERTIFICATION**

I hereby certify that the information herein is true and complete to the best of my knowledge and belief.

Signature  
*Betty Gildon*  
Printed Name  
**Betty Gildon**  
Position  
**Regulatory Analyst**  
Company  
**Enron Oil & Gas Company**  
Date  
**11/13/92**

**SURVEYOR CERTIFICATION**

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 the best of my knowledge and belief.

Date Surveyed  
**SEPTEMBER 11, 1992**  
Signature and Seal of  
Professional Surveyor  
*Larry W. Busby*  
Certificate No.  
**LARRY W. BUSBY R.P.S. #11398**  
cdg

Submit to Appropriate  
District Office  
State Lease - 6 copies  
Fee Lease - 5 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-101  
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

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

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

LG-4235

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☐ RE-ENTER ☐ DEEPEN ☐ PLUG BACK ☐

b. Type of Well:

OIL WELL ☐ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

7. Lease Name or Unit Agreement Name

Diamond SM-36 State

2. Name of Operator

Enron Oil & Gas Company

8. Well No.

2

3. Address of Operator

P. O. Box 2267, Midland, Texas 79702

9. Pool name or Wildcat

Pitchfork Ranch (Morrow)

4. Well Location

Unit Letter N : 990 Feet From The south Line and 1980 Feet From The west Line

Section 36 Township 24S Range 33E NMPM Lea County

10. Proposed Depth

15,600'

11. Formation

Morrow

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

3477' GL

14. Kind & Status Plug. Bond

Blanket-Active

15. Drilling Contractor

Unknown at present

16. Approx. Date Work will start

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
20	16	65	650	600	Circulated
14-3/4	10-3/4	45.5 & 40.5	5200	3000	Circulated
9-1/2	7-5/8	33.7 & 29.0	13300	2000	7000
6-1/2	4-1/2" Liner	15.10	15650	360	13325

BOP - Install at 5200' with 3000# cap and 2450# annular preventor. At 13,300' increase to 10,000# cap with 5000# annular preventor. Will use standard surface-controlled BOP installation.

Acreage is dedicated.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Betty Gildon

TITLE

Regulatory Analyst

DATE

11/13/92

TYPE OR PRINT NAME

Betty Gildon

915/686-3714  
TELEPHONE NO.

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

**DISTRICT I**

P. O. Box 1980  
Hobbs, NM 88240

**DISTRICT II**

P. O. Drawer DD  
Artesia, NM 88210

**OIL CONSERVATION DIVISION**

P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

**DISTRICT III**

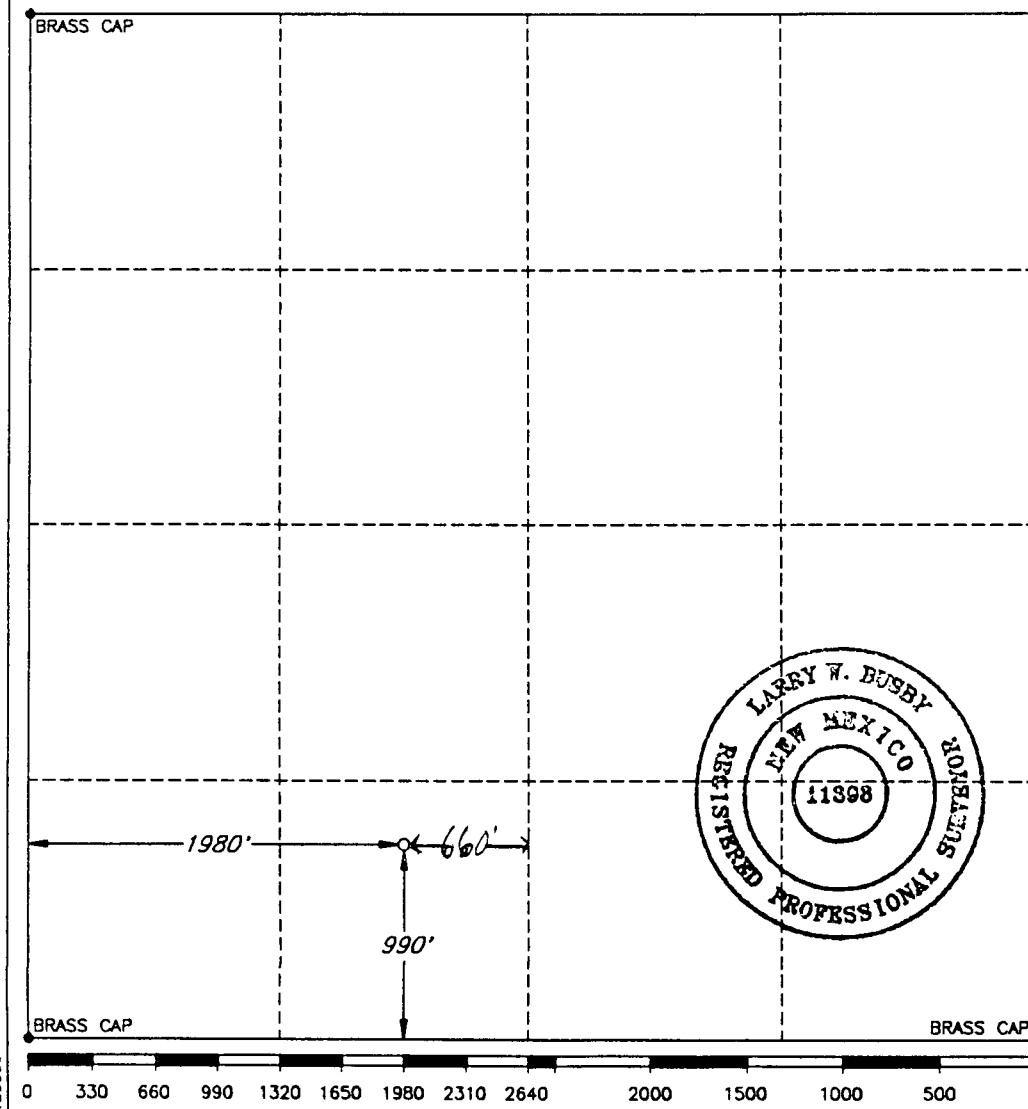
1000 Rio Brazos Rd  
Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the section.

Operator <b>ENRON OIL &amp; GAS COMPANY</b>			Lease <b>DIAMOND "SM 36" STATE</b>		Well No. <b>2</b>
Unit Letter <b>N</b>	Section <b>36</b>	Township <b>24 SOUTH</b>	Range <b>33 EAST, N.M.P.M.</b>	County <b>LEA</b>	
Actual Footage Location of Well					
990'		feet from the	<b>SOUTH</b>	line and	1980'
				feet from the	<b>WEST</b>
					line
Ground Level Elev. <b>3477'</b>	Producing Formation <b>Morrow</b>		Pool <b>Pitchfork Ranch</b>		320 W/2 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all the owners been consolidated by communitization, unitization, forced-pooling, etc.?  
☐ Yes ☐ No If answer is "yes", type of consolidation \_\_\_\_\_  
If the answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use the reverse side of this form if necessary.) \_\_\_\_\_  
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the division.



**OPERATOR CERTIFICATION**

I hereby certify that the information herein is true and complete to the best of my knowledge and belief.

Signature  
*Betty Gildon*  
Printed Name  
**Betty Gildon**  
Position  
**Regulatory Analyst**  
Company  
**Enron Oil & Gas Company**  
Date  
**11/13/92**

**SURVEYOR CERTIFICATION**

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 the best of my knowledge and belief.

Date Surveyed  
**SEPTEMBER 11, 1992**  
Signature and Seal of Professional Surveyor  
*Larry W. Busby*  
Certificate No.  
**LARRY W. BUSBY R.P.S. #11398**  
cdg

Submit to Appropriate  
District Office  
State Lease - 6 copies  
Fee Lease - 5 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-101  
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

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

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

LG-4235

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☐

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL  
WELL ☐

GAS  
WELL ☐

OTHER ☐

SINGLE  
ZONE ☐

MULTIPLE  
ZONE ☐

7. Lease Name or Unit Agreement Name

Diamond SM-36 State

2. Name of Operator

Enron Oil & Gas Company

8. Well No.

2

3. Address of Operator

P. O. Box 2267, Midland, Texas 79702

9. Pool name or Wildcat

Pitchfork Ranch (Morrow)

4. Well Location

Unit Letter

N

: 990

Feet From The

south

Line and

1980

Feet From The

west

Line

Section

36

Township

24S

Range

33E

NMPM

Lea

County

10. Proposed Depth

15,600'

11. Formation

Morrow

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

3477' GL

14. Kind & Status Plug Bond

Blanket-Active

15. Drilling Contractor

Unknown at present

16. Approx. Date Work will start

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
20	16	65	650	600	Circulated
14-3/4	10-3/4	45.5 & 40.5	5200	3000	Circulated
9-1/2	7-5/8	33.7 & 29.0	13300	2000	7000
6-1/2	4-1/2" Liner	15.10	15650	360	13325

BOP - Install at 5200' with 3000# cap and 2450# annular preventor. At 13,300' increase to 10,000# cap with 5000# annular preventor. Will use standard surface-controlled BOP installation.

Acreage is dedicated.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Betty Gildon

TITLE

Regulatory Analyst

DATE

11/13/92

TYPE OR PRINT NAME

Betty Gildon

915/686-3714  
TELEPHONE NO.

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

DISTRICT I

P. O. Box 1980  
Hobbs, NM 88240

DISTRICT II

P. O. Drawer DD  
Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd  
Aztec, NM 87410

**OIL CONSERVATION DIVISION**

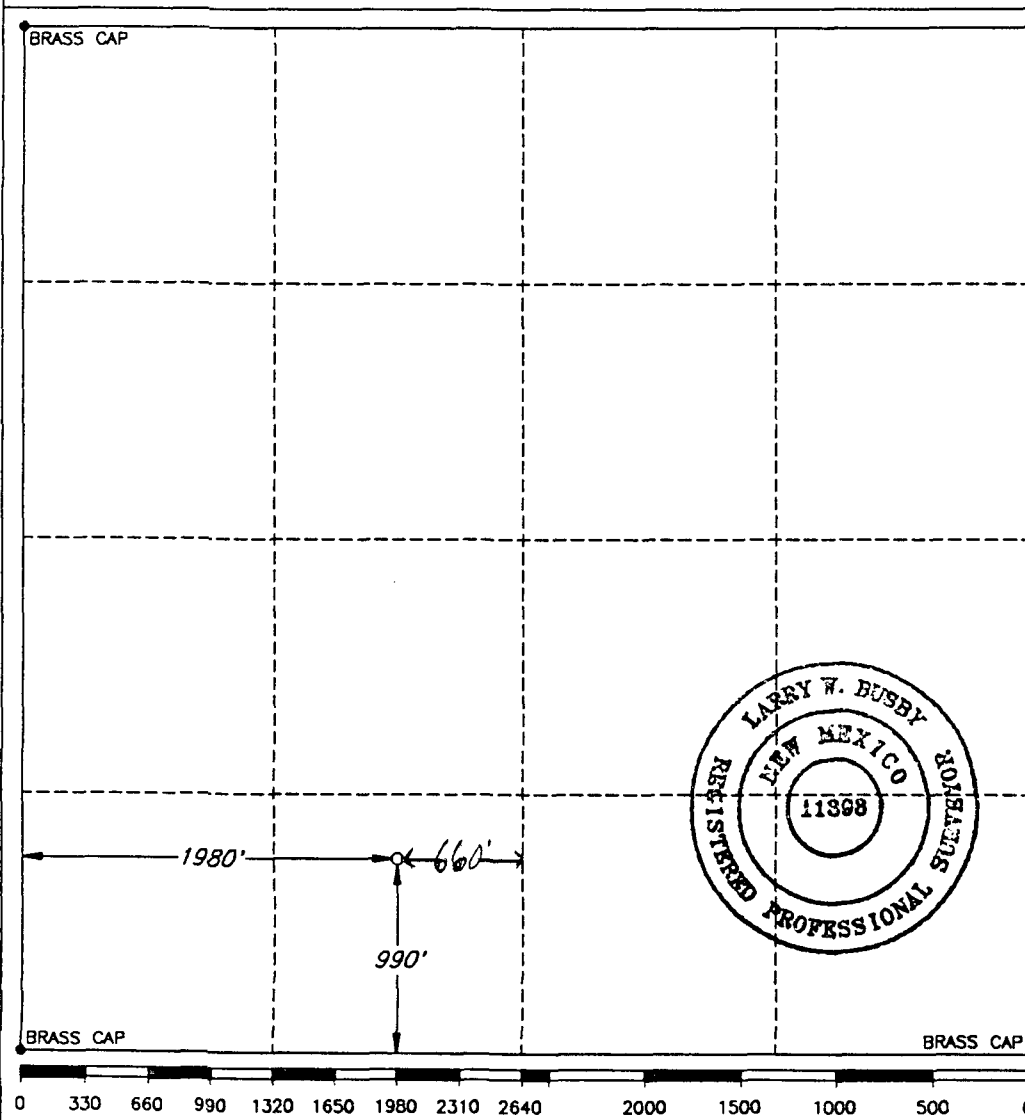
P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the section.

Operator <b>ENRON OIL &amp; GAS COMPANY</b>			Lease <b>DIAMOND "SM 36" STATE</b>		Well No. <b>2</b>
Unit Letter <b>N</b>	Section <b>36</b>	Township <b>24 SOUTH</b>	Range <b>33 EAST, N.M.P.M.</b>	County <b>LEA</b>	
Actual Footage Location of Well					
990'		feet from the <b>SOUTH</b>		line and 1980' feet from the <b>WEST</b> line	
Ground Level Elev. <b>3477'</b>	Producing Formation <b>Morrow</b>		Pool <b>Pitchfork Ranch</b>		320 W/2 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all the owners been consolidated by communitization, unitization, forced-pooling, etc.?  
☐ Yes ☐ No If answer is "yes", type of consolidation \_\_\_\_\_  
If the answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use the reverse side of this form if necessary.) \_\_\_\_\_  
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the division.



**OPERATOR CERTIFICATION**

I hereby certify that the information herein is true and complete to the best of my knowledge and belief.

Signature  
*Betty Gildon*  
Printed Name  
**Betty Gildon**  
Position  
**Regulatory Analyst**  
Company  
**Enron Oil & Gas Company**  
Date  
**11/13/92**

**SURVEYOR CERTIFICATION**

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 the best of my knowledge and belief.

Date Surveyed  
**SEPTEMBER 11, 1992**  
Signature and Seal of Professional Surveyor  
*Larry W. Busby*  
Certificate No.  
**LARRY W. BUSBY R.P.S. #11398**  
cdg

**RE: Enron Oil & Gas Company  
Diamond "SM-36" State No. 2  
Unorthodox Location**

The Morrow "A" sand is the primary objective for the Enron Oil & Gas Company (EOG), Diamond "SM-36" State No. 2 located in the W/2 of Section 36-24S-33E Lea County, New Mexico. This 15,450' stepout in the Pitchfork Ranch Field will also test the Morrow "C" sand. The Morrow "C" is the most wide-spread producing sand in the Pitchfork Ranch Field, but becomes tight due to low porosities and permeabilities on the flanks of the field. The low reserve potential of the Morrow "C" sand will remain the same regardless of where the Diamond "SM-36" State No. 2 is drilled in the W/2 of Section 36. Without the Morrow "A" sand the well is uneconomic to drill.

The Morrow "A" sand is interpreted as a channel sand and is present in the EOG, Diamond "SM-36" State No. 1 (Section 36-24S-33E) and the Hallwood, Bell Lake "2" State No. 1 (Section 2-25S-33E) which was originally operated by HNG Oil Company (now EOG). The accompanying cross-section illustrates the correlation between those two wells. A third well, the EOG, Hallwood "1" Federal Com. No. 1 (Section 1-25S-33E) is currently drilling in the Morrow formation below the "A" sand. Based on the mudlog (copy enclosed) and drilling break, there is eight feet of the "A" channel present at the EOG, Hallwood "1" Federal Com. No. 1 location (660' FNL and 1,980' FWL Section 1). The thin "A" sand in EOG's Hallwood well indicated the channel is becoming narrower in the S/2 of Section 36. A legal W/2 location in Section 36 would be very risky (refer to isopach map). The open circles on the map are legal locations. The requested unorthodox location of 990' FSL and 1,980' FWL Section 36-24S-33E for the Diamond "SM-36" State No. 2 is the only favorable drillsite based on the geological interpretation because without the Morrow "A" sand the economics are unfavorable for drilling this well. It should also be noted that approval of the unorthodox location will mean EOG will be encroaching upon its self.

RE: **Enron Oil & Gas Company  
Diamond "SM-36" State No. 2  
Unorthodox Location**

The Morrow "A" sand is the primary objective for the Enron Oil & Gas Company (EOG), Diamond "SM-36" State No. 2 located in the W/2 of Section 36-24S-33E Lea County, New Mexico. This 15,450' stepout in the Pitchfork Ranch Field will also test the Morrow "C" sand. The Morrow "C" is the most wide-spread producing sand in the Pitchfork Ranch Field, but becomes tight due to low porosities and permeabilities on the flanks of the field. The low reserve potential of the Morrow "C" sand will remain the same regardless of where the Diamond "SM-36" State No. 2 is drilled in the W/2 of Section 36. Without the Morrow "A" sand the well is uneconomic to drill.

The Morrow "A" sand is interpreted as a channel sand and is present in the EOG, Diamond "SM-36" State No. 1 (Section 36-24S-33E) and the Hallwood, Bell Lake "2" State No. 1 (Section 2-25S-33E) which was originally operated by HNG Oil Company (now EOG). The accompanying cross-section illustrates the correlation between those two wells. A third well, the EOG, Hallwood "1" Federal Com. No. 1 (Section 1-25S-33E) is currently drilling in the Morrow formation below the "A" sand. Based on the mudlog (copy enclosed) and drilling break, there is eight feet of the "A" channel present at the EOG, Hallwood "1" Federal Com. No. 1 location (660' FNL and 1,980' FWL Section 1). The thin "A" sand in EOG's Hallwood well indicated the channel is becoming narrower in the S/2 of Section 36. A legal W/2 location in Section 36 would be very risky (refer to isopach map). The open circles on the map are legal locations. The requested unorthodox location of 990' FSL and 1,980' FWL Section 36-24S-33E for the Diamond "SM-36" State No. 2 is the only favorable drillsite based on the geological interpretation because without the Morrow "A" sand the economics are unfavorable for drilling this well. It should also be noted that approval of the unorthodox location will mean EOG will be encroaching upon its self.

RE: **Enron Oil & Gas Company**  
**Diamond "SM-36" State No. 2**  
**Unorthodox Location**

The Morrow "A" sand is the primary objective for the Enron Oil & Gas Company (EOG), Diamond "SM-36" State No. 2 located in the W/2 of Section 36-24S-33E Lea County, New Mexico. This 15,450' stepout in the Pitchfork Ranch Field will also test the Morrow "C" sand. The Morrow "C" is the most wide-spread producing sand in the Pitchfork Ranch Field, but becomes tight due to low porosities and permeabilities on the flanks of the field. The low reserve potential of the Morrow "C" sand will remain the same regardless of where the Diamond "SM-36" State No. 2 is drilled in the W/2 of Section 36. Without the Morrow "A" sand the well is uneconomic to drill.

The Morrow "A" sand is interpreted as a channel sand and is present in the EOG, Diamond "SM-36" State No. 1 (Section 36-24S-33E) and the Hallwood, Bell Lake "2" State No. 1 (Section 2-25S-33E) which was originally operated by HNG Oil Company (now EOG). The accompanying cross-section illustrates the correlation between those two wells. A third well, the EOG, Hallwood "1" Federal Com. No. 1 (Section 1-25S-33E) is currently drilling in the Morrow formation below the "A" sand. Based on the mudlog (copy enclosed) and drilling break, there is eight feet of the "A" channel present at the EOG, Hallwood "1" Federal Com. No. 1 location (660' FNL and 1,980' FWL Section 1). The thin "A" sand in EOG's Hallwood well indicated the channel is becoming narrower in the S/2 of Section 36. A legal W/2 location in Section 36 would be very risky (refer to isopach map). The open circles on the map are legal locations. The requested unorthodox location of 990' FSL and 1,980' FWL Section 36-24S-33E for the Diamond "SM-36" State No. 2 is the only favorable drillsite based on the geological interpretation because without the Morrow "A" sand the economics are unfavorable for drilling this well. It should also be noted that approval of the unorthodox location will mean EOG will be encroaching upon its self.



OIL CONSERVATION DIVISION  
RE: ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

NO 120 AM 10 07

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

11-16-92

BRUCE KING  
GOVERNOR

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC \_\_\_\_\_  
DHC \_\_\_\_\_  
NSL X \_\_\_\_\_  
NSP \_\_\_\_\_  
SWD \_\_\_\_\_  
WFX \_\_\_\_\_  
PMX \_\_\_\_\_

Gentlemen:

I have examined the application for the:

Enron Oil & Gas Co. Diamond SM-36 #2-N 36-24-33  
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton  
Supervisor, District 1

/ed

### INTENTIONAL OMISSIONS

The following document(s) have been intentionally omitted from this file due to the indicated reasons.

FILE # NSL 3206

### DESCRIPTION OF OMITTED DOCUMENTS

OMITTED DOCUMENT

REASON OMITTED

GRAPHS & MAPS (3 different ones) Too large