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

February 3, 1999

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. Michael L. Stogner
Oil Conservation Division
New Mexico Department of Energy
Minerals and Natural Resources
2040 South Pacheco
Santa Fe, New Mexico 87505

Re:

Application of Enron Oil & Gas Company for Administrative Approval of an Unorthodox

Gas Well

Dear Mr. Stogner:

Enclosed please find the Application of Enron Oil & Gas Company for administrative approval of an Unorthodox Location for the drilling of Enron's Brininstool "4" State No. 2 well, a Wolfcamp gas well.

By separate letter (copy attached) Enron has sent notification via certified return receipt mail to the affected parties by submitting a copy of this application and a plat required by OCD rules. A sworn statement attesting to this notification is hereby enclosed for your files.

Your due consideration to this Application is most appreciated. Should you have any questions, please feel free to call me at 915/686-3714.

Sincerely,

ENRON OIL & GAS COMPANY

Mike Francis

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BEFORE THE OIL CONSERVATION DIVISION NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF ENRON OIL & GAS COMPANY FOR ADMINISTRATIVE APPROVAL OF AN **UNORTHODOX WELL LOCATION FOR ITS** BRININSTOOL "4" STATE NO. 2 WELL LOCATED 660 FEET FROM THE SOUTH LINE AND 1890 FEET FROM THE WEST LINE OF SECTION 4 TOWNSHIP 24 SOUTH, RANGE 33 EAST, LEA COUNTY, NEW MEXICO.

CASE	NO.	

AFFIDAVIT

STATE OF TEXAS

§ ss.

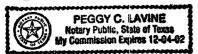
COUNTY OF MIDLAND

Mike Francis, authorized representative of Enron Oil & Gas Company ("Enron"), the Applicant herein, being first duly sworn, upon oath, states that on or before this application was submitted to the New Mexico Oil Conservation Division, and in accordance with the notice provisions of Division Rule 104. Enron has sent notification to the affected parties by submitting a copy of the application, including a copy of the plat described in Rule 104.F(3) by certified or registered mail, return receipt, in accordance with Rule 1207 (A)(5) advising them that if they have an objection it must be filed in writing within twenty (20) days from the date notice was sent.

SUBSCRIBED AND SWORN to before me this 10th day of Jelman, 1999.

My Commission Expires:

U:\It\mf\aff_nmocd





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

February 3, 1999

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Murchison Oil & Gas, Inc. 1445 Ross, Suite 5300, LB 152 Dallas, Texas 75202-2883

Attention: Mr.Michael S. Daugherty

Re:

Application for Unorthodox Location Drilling Permit

Brininstool "4" State No. 2 Well W/2 of Section 4, T24S, R33E Lea County. New Mexico

Gentlemen:

Enron Oil & Gas Company (Enron) proposes the drilling of the captioned test well at a location 660' FSL & 1890' FWL of Section 4, T24S, R33E to a depth sufficient to test the Wolfcamp formation, at an approximate total depth of 14,200'. In this regard, please find a plat showing the subject spacing unit (W/2), its proposed unorthodox well location, and offsetting spacing unit and leases.

Enron hereby seeks an exception to the well location requirements of the New Mexico Oil Conservation Division Rule 104.C and has applied pursuant to Division Rule 104F.(2) for administrative approval of an Unorthodox Location Drilling Permit for all formations through the base of the Wolfcamp formation which may be developed on 320 acre proration units.

Enron has determined that the drilling of the proposed test well at the specified location is necessary and prudent in order to recover oil and gas reserves underlying the above referenced Section 4 (W/2).

If you have no objection to the above location please date and sign the attached Waiver of Objection and return one executed copy to the undersigned in the enclosed self addressed stamped envelope. Please fax a copy of signed waiver to the undersigned at (915) 686-3773.

Should you have an objection to Enron's unorthodox location, it must be filed in writing within twenty (20) days from the date of this notice.

Page Two

Should you have any questions regarding the above or wish to discuss this matter further, please do not hesitate to call. Your early and favorable reply will be most appreciated.

Sincerely,

ENRON OIL & GAS COMPANY

Mike Francis

U:\It\mf\nmocd_brin



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

February 3, 1999

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re:

Application for Unorthodox Location Drilling Permit Briningtool "4" State No. 2 We

Brininstool "4" State No. 2 Well Section 4, T-24-S, R-33-E, NMPM

Lea County, New Mexico

Gentlemen:

Murchison Oil & Gas, Inc. as an offset operator or owner of operating rights, has been advised of Enron Oil & Gas Company's intent to drill the above referenced Wolfcamp well at a location of 660' FSL & 1890' FWL of Section 4, T-24-S, R-33-E, Lea County, New Mexico.

This letter is to advise that Murchison Oil & Gas, Inc. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

ENRON OIL & GAS COMPANY

Mike Transis

MURCHISON OIL & GAS INC.

Ву:		_	
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Geologic Discussion

Enron Oil & Gas Company is seeking approval for an unorthodox location in the Johnson Ranch area Lea County, New Mexico, based on geological reasons. The proposed unorthodox location for the Brininstool "4" State #2 (W/2 spacing unit / 660 FSL & 1890 FWL Section 4 -T24S-R33E) is a northwest offset to the Enron "9" State Com #2 and a west southwest offset to the Brininstool "4" State #1 (reference Exhibit 1). The Enron "9" State Com #2 was completed in the Wolfcamp for approximately 2.5 MMcfgpd & 500 Bcpd and the Brininstool "4" State #1 was completed in the Wolfcamp for approximately 1.6 MMcfgpd & 200 Bcpd. The proposed location is within the Johnson Ranch (Wolfcamp) Field, which currently has 14 producers. Production in the Johnson Ranch Field (reference Exhibit 2) is from a series of detrital carbonate zones in the Lower Wolfcamp.

The Brininstool "4" State #1 is targeting the correlative Wolfcamp detrital carbonate zone, which is productive in the Enron "9" State Com #2 and is present but non-productive in the Getty, HNG State 4-F #1 (1980 FNL & 1650 FWL Section 4-T24S-R33E). Enron's mapping in the area indicates this productive detrital zone trends NW to SE through this portion of the field (reference Exhibit 1).

The HNG State 4-F #1 well has a thick Upper detrital zone (reference Exhibit 2), but is located within an interpreted fault zone and consequently lacks the over-pressuring needed to be a commercial producer. The Wolfcamp was DST'd from 13,188'-300' during drilling operations. Although there was a strong blow at surface no gas flow was measured and the IFP and FFP was 1,684-1,998#. Recovery was 3,300' water cushion and 1,000' of mud. The ISIP and FSIP of 7,396# and 7,354# respectively, is of special interest because the Wolfcamp producers in this area have original BHP of approximately 10,500#. The Wolfcamp was perforated from 13,250'-337' during recompletion operations. After a total of 1,000 gallons acid stimulation the zone failed to flow gas and was abandoned. A regional study indicates that the over-pressured reservoirs produce commercial quantities of gas yet the normal pressured reservoir produce poorly if at all. We believe the lack of over-pressuring in the 4-F well may have been due to leakage along the fault plane.

Geologic Discussion Page 2

It is Enron Oil & Gas concern for locating the proposed well in the thickest portion of the prospective carbonate isopach and also staying a significant distance from the breached HNG STATE 4-F #1 well that has led us to request an unorthodox location (reference Exhibit 1).

Exhibit 1 is an gross isopach of the Enron "9" State Com #2 Carbonate Pay Exhibit 2 is stratigraphic cross-section A – A'

INTENTIONAL OMISSIONS

The following document(s) have been intentionally omitted from this file due to the indicated reasons.									
FILE# NSC 42	FILE # NSC 4213 DESCRIPTION OF OMITTED DOCUMENTS								
OMITTED DOCUMENT		REASON OMITTED							
EXHIBIT 2 GRA	APH	TOO CARGE							

02/12/99 09:31:51 CMD : ONGARD

C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPWU OG6C101

: 7377 API Well No: 30 25 34571 APD Status(A/C/P): A OGRID Idn

Opr Name, Addr: ENRON OIL & GAS CO Aprvl/Cncl Date : 02-08-1999

PO BOX 2267

MIDLAND, TX 79702

Well No: 2 Prop Idn: 24199 BRINNINSTOOL 4 STATE

U/L Sec Township Range Lot Idn North/South East/West

24S 33E Surface Locn : N 4 FTG 660 F S FTG 1890 F W

OCD U/L : N API County : 25

Work typ (N/E/D/P/A) : N Well typ (O/G/M/I/S/W/C) : G Cable/Rotary (C/R) : F

Lease typ(F/S/P/N/J/U/I): S Ground Level Elevation: 3616

State Lease No: Multiple Comp (Y/N) : N

Prpsd Depth : 14200 Prpsd Frmtn : WOLFCAMP

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 PF02
 PF03 EXIT
 PF04 GoTo
 PF05
 PF06 CONFIRM

 PF07
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 PF09 PRINT
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PAGE NO: 2

Sec : 04 Twp : 24S Rng : 33E Section Type : NORMAL

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LG3175 0001 11/85	LG3175 0001 11/85	LG3175 0001 11/85	LG3175 0001 11
ENRON OIL & GAS C	ENRON OIL & GAS C	ENRON OIL & GAS C	ENRON OIL & GA
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ENRON OIL & GAS C	ENRON OIL & GAS C	ENRON OIL & GAS C	ENRON OIL & GA
	 A 	 	
'01 HELP PF02	PF03 EXIT P	F04 GoTo PF05	PF06
'07 BKWD PF08 FWI	O PF09 PRINT PI	F10 SDIV PF11	PF12

Date: 2/12/99 Time: 09:33:42 AM

Description:	E/2 Sec. 22 (A	-8075, 11-8-8	5)		
Correct Range	se from 32 t	0 33 (R-8125	1-14-86)		
-			+: N/2 Sec. 27(R-8299, 9-4	-86)
Ex+:5/2 Sec. 1	5 (R-10641,8-1	9-96) Ex+; N/2	Sec. 15 (R-10776,	2-28-95)	
			1.9, E/2 Sec. 16 (R-		8)
		\$ **			
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County LEA POOL WEST DOUBLE X- WOLFCAMP GAS 24 South Range 33 EAST NMPM 10 -- 18 -- 16 - **1**5 -20 -- 21-- 22 -- 23-- 24 -- 29 -- 28 -- 27 -- 26 -25 -- 33 -- 34 -35 -36 -DESCRIPTION: 5/2 Sec. 32 (R-6293 3-1-80) DELETE: 3/2 Sec. 32 (R-6293-A) SHOND BE 1/2 Sec 2 (R-6293-A,3-1-80) 214 953 0263 PAGE.002

EEB 12 .88 12:58



Enron OH & G84 Company P.O. Box 2267 Midland, TX 79702 (915) 686-3600

February 3, 1999

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re:

Application for Unorthodox Location Drilling Permit Brininstool "4" State No. 2 Well Section 4, T-24-S, R-33-E, NMPM Lea County, New Mexico

Gentlemen:

Murchison Oil & Gas, Inc. as an offset operator or owner of operating rights, has been advised of Enron Oil & Gas Company's intent to drill the above referenced Wolfcamp well at a location of 660' FSL & 1890' FWL of Section 4, T-24-S, R-33-E, Lea County, New Mexico.

This letter is to advise that Murchison Oil & Gas, Inc. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

ENRON OIL & GAS COMPANY

Mike Francis

Murchison oil & Cas inc

By: VICE PRESIDENT OPERATION

Date: FEBRUARY 15,

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Natural gas. Electricity. Endless possibilities.TM



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

February 3, 1999

NSL-4213

Mr. Michael Stogner New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

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Brininstool "4" State No. 2 Well Section 4, T-24-S, R-33-E, NMPM

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Mike Francis

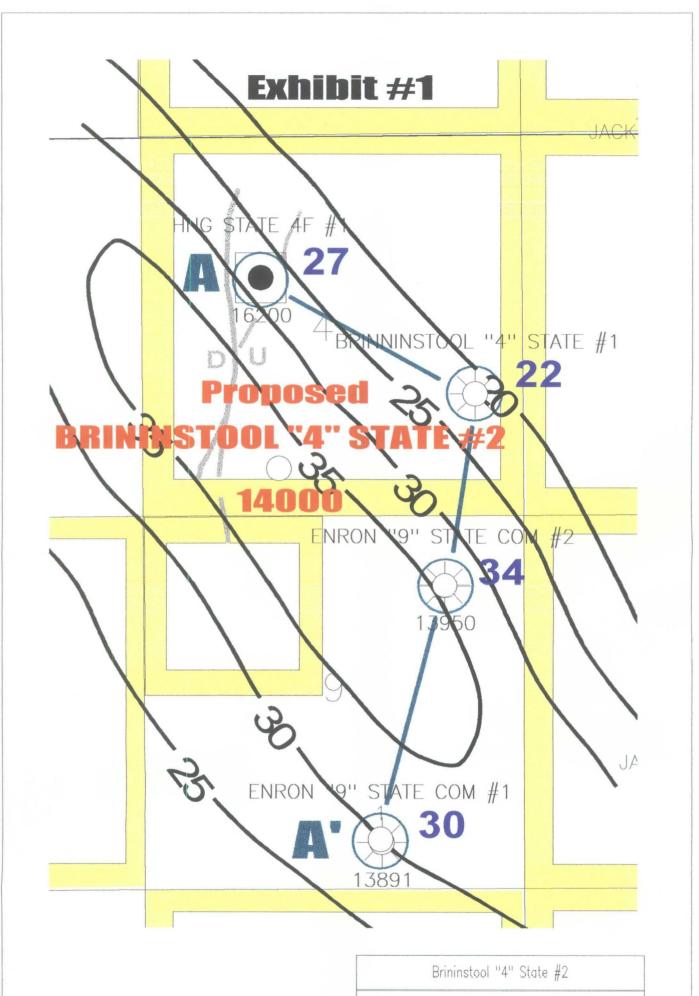
MURCHISON OIL & GAS

By: Michrey / / /www

Title. VICE PRESIDENT OPERATIONS

Date: FEBRUARY 15, 1999

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SESW, Sec 4, T24S R33E, Lea Co., NM Enron "9" State Com #2 Carbonate Pay Gross Isopach

Butkus	CI : 25'	2/9/99	
	Scale 1:16000.		