Called in by Bill Carr
7/17/90

Memo

From
FLORENE DAVIDSON
OC Staff Specialist

To August 8, 1990

Enron Oil and Gas Company
Compulsory Pooling
Eddy County

All 40-acre spacing from
-5000' to base of Bone Spring
formation
NE/4 NW/4
18-18S-31E

10035

Oil Conservation Division Santa Fe, New Mexico 87504-2088
827-5802

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

July 18, 1990

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

10735

Re: In the Matter of the Application of Enron Oil & Gas Company for Compulsory Pooling, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is an application of Enron Oil & Gas Company in the above-referenced case. Enron Oil & Gas Company respectfully requests that this matter be placed on the August 8, 1990 Examiner hearing docket.

Your attention to this matter is appreciated.

Very truly yours,

William F. Carr

WILLIAM F. CARR

WFC:mlh
Enclosures

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS
AND NATURAL RESOURCES

RECEIVED
JUL 18 1990
OIL CONSERVATION DIV.
SANTA FE

IN THE MATTER OF THE APPLICATION OF ENRON OIL & GAS COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 10035

APPLICATION

COMES NOW ENRON OIL & GAS COMPANY, through its undersigned attorneys, as provided by Section 70-2-17, N.M.S.A. (1978), hereby makes application for an order pooling all of the mineral interests from 5000 feet to the base of the Bone Spring formation, for all formations developed on 40-acre spacing in and under the NE/4 NW/4 of Section 18, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Division:

1. Applicant currently owns or represents approximately 50% of the working interest in and under the NE/4 NW/4 of Section 18, and Applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to its Canadian Kenwood 18 Fed. No. 2 Well to be drilled at a standard location in said Section 18, to test Bone Spring formation, North Shugart-Bone Spring Pool.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the NE/4 NW/4 of Section 18, except for the following:

Hondo Drilling Company
Lawbar Petroleum, Inc.
Canadian Kenwood Company
Southland Royalty Company
T.R. Parker Estate

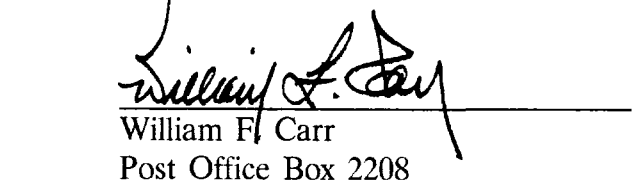
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on August 8, 1990, and that after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.



William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

ATTORNEYS FOR ENRON OIL & GAS COMPANY

Form 3160-3
(November 1983)
(formerly 9-331C)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form Approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

30-015-26416

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Artesia, NM 88210

RECEIVED
90 JUL 9 AM 9 58
OIL CONS. COMMISSION
Roswell, NM

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]	5. LEASE DESIGNATION AND SERIAL NO.: NM 260
b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: Enron Oil & Gas Company	7. UNIT AGREEMENT NAME:
3. ADDRESS OF OPERATOR: P. O. Box 2267, Midland, Texas 79702	8. FARM OR LEASE NAME: Canadian Kenwood 18 Federal
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) At surface: 500' FNL & 2126' FWL; At proposed prod. zone: SAME	9. WELL NO.: 2
	10. FIELD AND POOL, OR WILDCAT: Shugart, North Bone Spring
	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 18, T18S, R31E
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 12 miles SE from Loco Hills	12. COUNTY OR PARISH: Eddy; 13. STATE: NM

RECEIVED
JUN 22 '90
O. C. D.
ARTESIA, OFFICE

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 500	16. NO. OF ACRES IN LEASE: 299	17. NO. OF ACRES ASSIGNED TO THIS WELL: 40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: 1193'	19. PROPOSED DEPTH: 8700'	20. ROTARY OR CABLE TOOLS: Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3609.2' GR		22. APPROX. DATE WORK WILL START*: 6/4/90

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	42# H40 ST&C	700'	750 sx Circulated
11"	8-5/8"	28#, 32# K55, N80, S T&C	2500'	1000 sx Circulated
7-7/8"	5-1/2"	17# K55 LT&C	8700'	1550 sacks

BOP - Install at 2500' with 5000# cap.

Gas is dedicated.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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. 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 TITLE Regulatory Analyst DATE 6/4/90

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY Jim Lucas for TITLE AREA MANAGER CARLSBAD RESOURCE AREA DATE 6 20 90

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

4 copies
3 copies

DISTRICT I
Box 1980, Hobbs, NM 88240

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

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	Lease	Well No.
ENRON OIL & GAS Company	Canadian Kenwood 18 Federal	2

Unit Letter	Section	Township	Range	County
C	18	18 South	31 East NMPM	Eddy

Actual Footage Location of Well:
500 feet from the North line and 2126 feet from the West line

Ground level Elev.	Producing Formation	Pool	Dedicated Acreage:
3609.2	Bone Spring	Shugart, North	40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

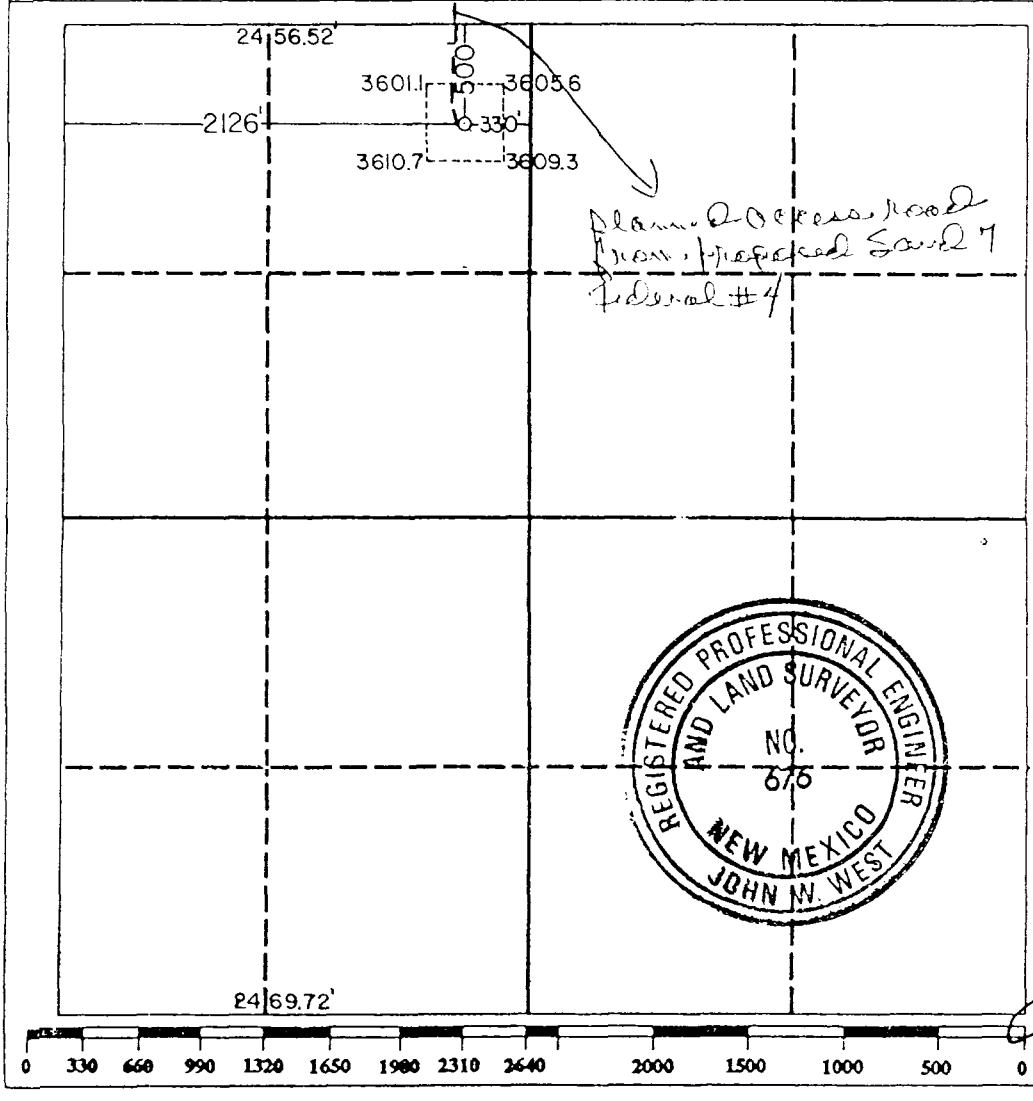
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use 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 contained herein in 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: 6/4/90

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 supervison, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: May 20, 1990

Signature & Seal of Professional Surveyor

John W. West

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

125630

APPLICATION FOR PERMIT TO DRILL

1. The geologic surface formation is Quarternary.

2. The estimated tops of important geologic markers are:

1.	1st Bone Spring Sand 7400'	6.	
2.	2nd Bone Spring Carbonate 7730'	7.	
3.	Roche Sand Zone 8390'	8.	
4.		9.	
5.		10.	

3. Depths at which oil, water, or gas bearing formations are expected to be encountered.

Bone Spring 7400'- 8700'

4. Brief description of testing, logging, and coring programs.

Drill Stem test as necessary
Gamma Ray: Surface to TD
Sonic and/or Neutron Density 2300' +/- to TD
Mud Logger 2300' +/- to TD
No coring anticipated.

5. Any anticipated abnormal pressures or temperatures expected? Any potential hazards - H_2S?

No abnormal pressures/temperatures anticipated.

No H_2S zones expected.

1. (A) Pressure control equipment to be used.

1 - 5000# WP Cameron Iron Works double type "U" blowout preventor with pipe and blind rams.

(B) Pressure ratings (or API series).

1 - 1500 series - 5000# WP

(C) Testing procedures and frequency.

BOP will be tested at installation point as indicated on Application for Permit to Drill.

(D) Schematic Diagram.

See attached Exhibit "C"

2. Mud Program

Type and Characteristics

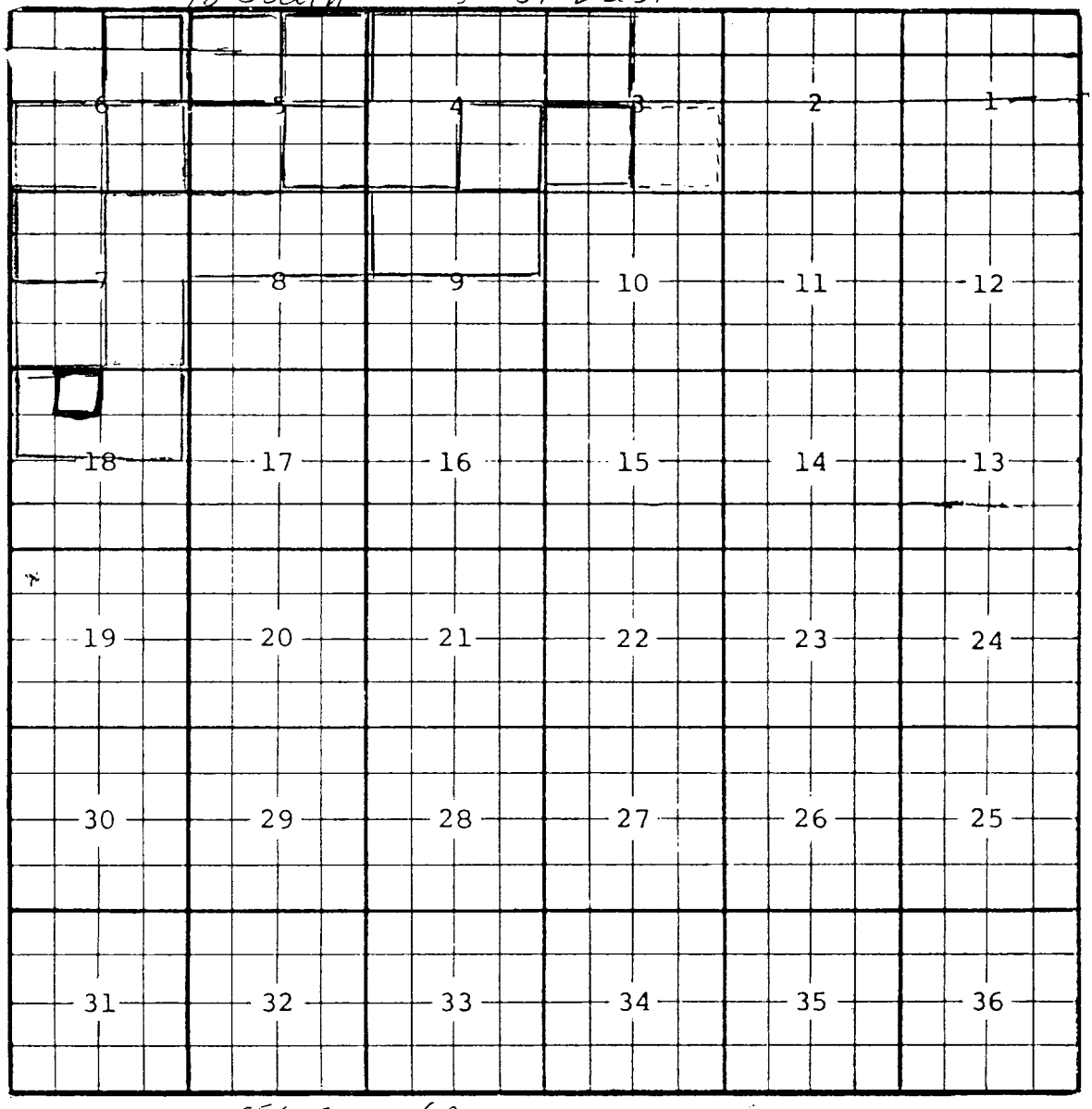
0 - 700'	8.5 - 8.8 Native
700'-2500'	10.0 brine water
2500'-8700'	8.4 fresh water

Quantities and types of weighting material to be maintained

500 sacks barite on location.

County Eddy Pool North Shugart-Bone Spring

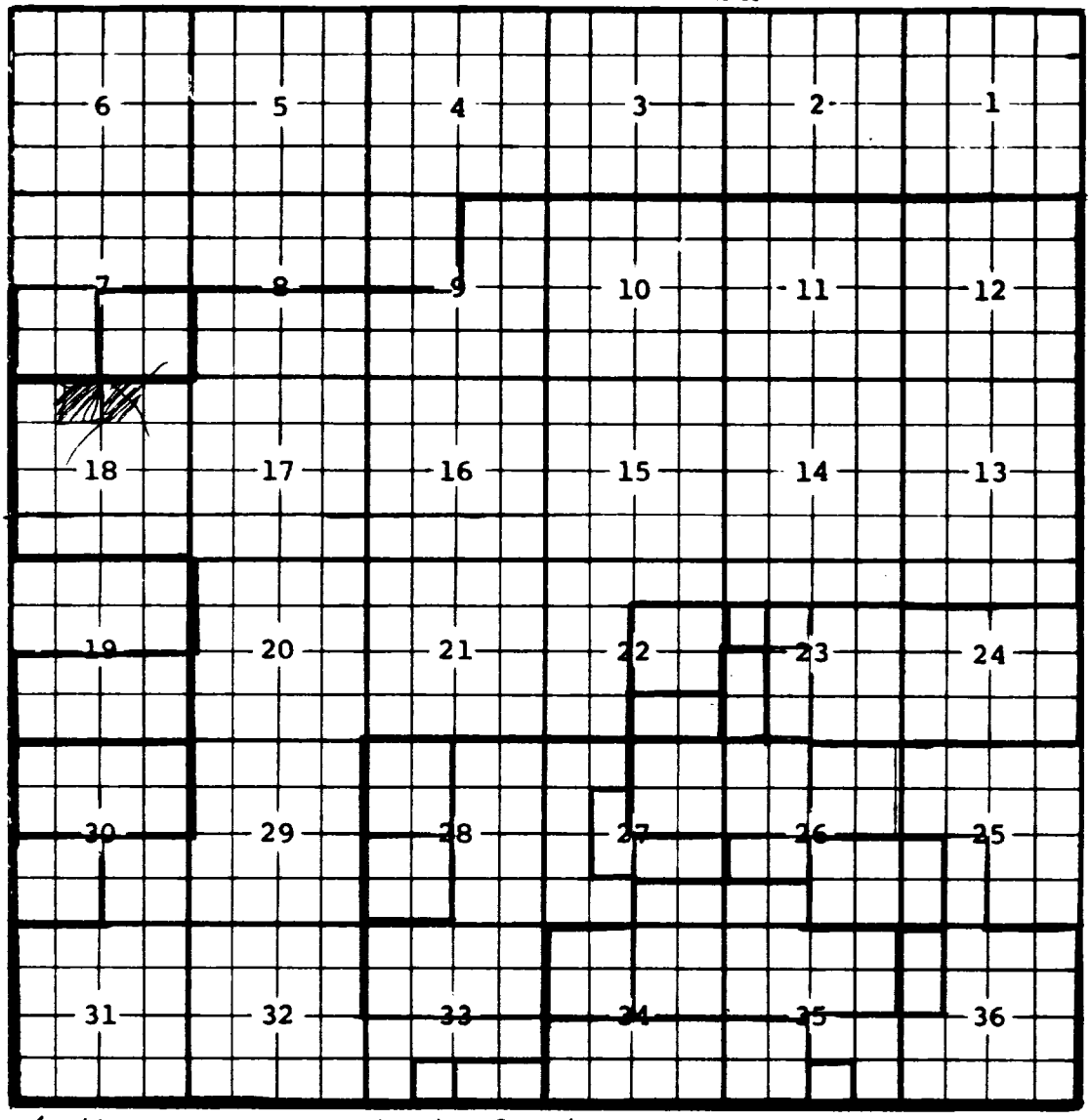
TOWNSHIP 18 South Range 31 East NMPM



Description: SE/4 Sec. 4 (R-8138, 1-23-86)
Ext: SW/4 Sec. 3 (R-8179, 3-14-86) Ext: SW/4 Sec. 3 (R-8179, 3-14-86)
Ext: NW/4 Sec. 3, N/2 and SW/4 Sec. 4, SE/4 Sec. 5 (R-8229, 5-19-86)
Ext: N/2 Sec. 9 (R-8484, 8-13-87) EXT: E/2 SEC. 7, N/2 SEC. 8 (R-8592, 1/25/88)
EXT: SE/4 SEC 6, N/2 SEC 18 (R-8665, 6/9/88) EXT: SW/4 SEC 7 (R-8747, 9/19/88)
EXT NE/4 SEC 5, NE/4 SEC 6 (R-8827, 12-22-88) EXT: SW/4 SEC. 6 (R-8847, 1-10-89) EXT: SW/4 Sec 5 (R-8892 3-20-89) EXT: NW/4 sec 7 (R-8969, 8-1-89)
EXT: NW/4 SEC 5 (R-9134, 4-1-90)

COUNTY Eddy POOL Shugart (Y-SR-Q-G)

TOWNSHIP 18 South RANGE 31 East NMPM

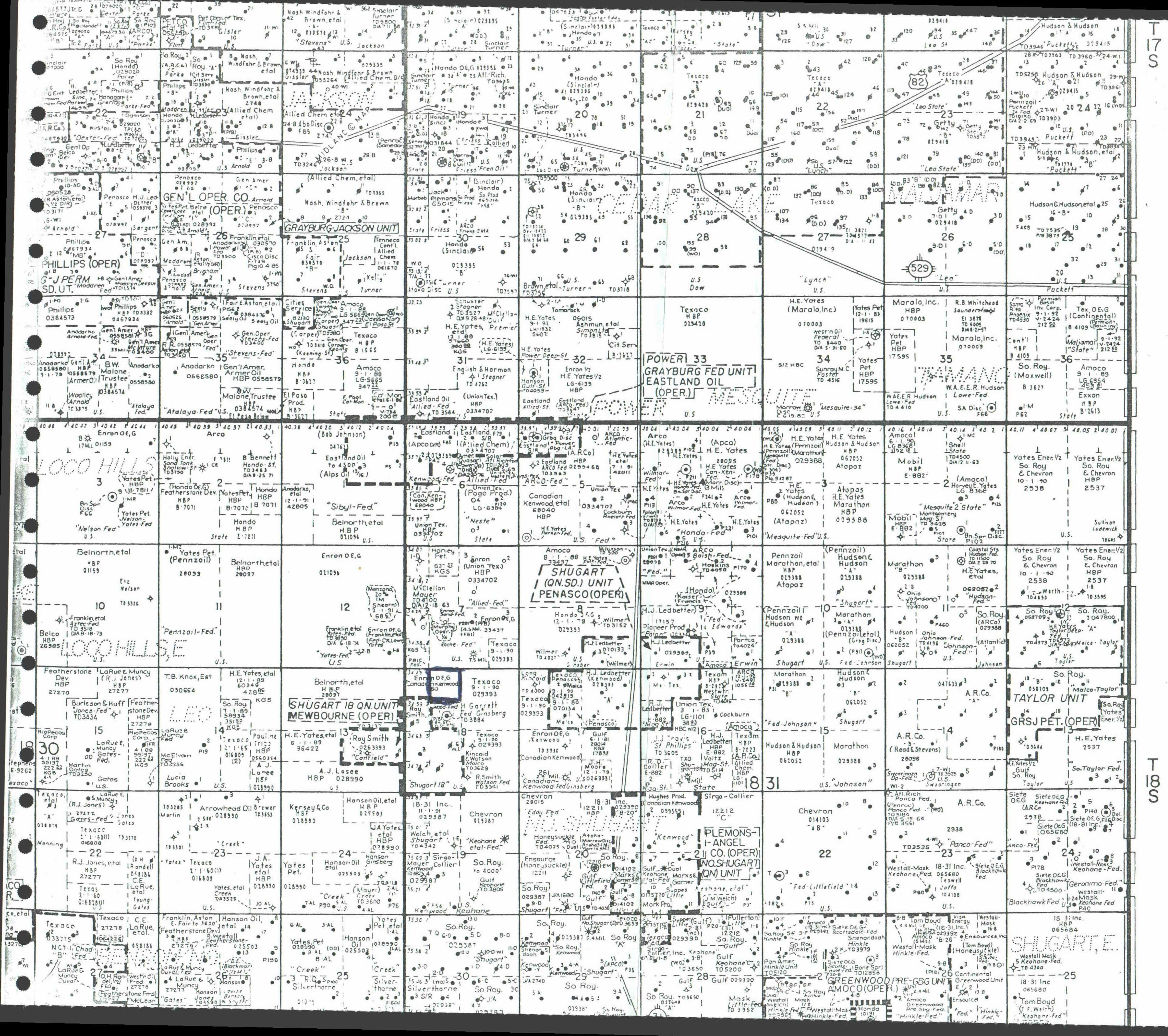


Vertical limits redefined R-986, 4-29-57

Description: S/2 Sec. 34; SW/4 Sec. 35

Ext: S/2 SW/4 Sec. 26; S/2 SE/4 Sec. 27; NE/4 Sec. 34; N/2 Sec. 35 (R-1017, 6-28-57) - N/2 SW/4 Sec. 26 (R-1089, 11-27-57) - W/2 NW/4 Sec 36 (R-1738, 9-1-58) - W/2 SW/4 Sec. 25; SE/4 Sec. 26 (R-1397, 6-1-59) - NW/4 Sec. 34 (R-1466, 9-1-59) - S/2 SE/4 Sec 33 (R-1681, 6-1-60) - SE/4 SW/4 Sec. 33; SW/4 SE/4 Sec. 35 (R-1857, 2-1-61) - Horizontal limits extended & redefined: S/2 Sec. 8; S/2 & NE/4 Sec. 9; All Sec. 10 thru 18; All Sec. 20 & 21; W/2 & N/2 NE/4 Sec. 22; N/2 N/2 Sec. 23; N/2 N/2 Sec. 24; SW/4 Sec. 25; S/2 Sec. 26; SE/4 Sec. 27; All Sec. 29; SE/4 Sec. 30; All Sec. 31 & 32; S/2 Sec. 33; All Sec. 34, 35 & 36 (R-2128, 11-29-61) - SW/4 Sec 28; SW/4 Sec. 30 (R-2172, 2-1-62) - NW/4 Sec 28 (R-2292, 8-1-62) - N/2 Sec. 30 (R-2410, 2-1-63) - S/2 Sec. 19 (R-2578, 11-1-63) - SE/4 NW/4 & NE/4 SW/4 Sec. 27 (R-2870, 3-1-65) - N/2 NW/4, SW/4 NW/4, NW/4 SW/4 & S/2 SW/4 Sec. 27; E/2 Sec. 28; N/2 Sec. 33 (R-2985, 11-1-65) - SW/4 NW/4 Sec. 23 (R-3843, 10-1-69) - S/2 NE/4 & N/2 SE/4 Sec. 22 (R-3979, 7-1-69) - S/2 SE/4 Sec. 22 (R-4119, 4-1-71) - W/2 SW/4 Sec. 23 (R-4232, 1-1-72) Ext: SE/4 NW/4 Sec 23 (R-4937, 2-1-75)

(Cont'd)



T 17 S
T 18 S
GEN'L OPER CO. (OPER)
GRAYBURG-JACKSON UNIT
PHILLIPS (OPER)
POWER 33
GRAYBURG FED UNIT
EASTLAND OIL (OPER)
SHUGART (QN.SD.) UNIT
PENASCO (OPER)
SHUGART 18 QN UNIT
MEWBOURNE (OPER)
TAYLOR UNIT
GRSJ PET. (OPER)
PLEMONS-ANGEL CO. (OPER)
NO.SHUGART (QN) UNIT
GREENWOOD PRE-GSG UNIT
AMOCO (OPER.)
LOCO HILLS
SHUGART, E.

```
*  STEP 2  SORT STAT WELLS FOR LISTING BY OPER,DIST,TRS,LEASE,WELL-NO,UL
* SORT FIELDS=(31,3,A,25,1,A,2,8,A,35,4,A,16,2,A),FORMAT=BI,WORK=1
// DLBL SORTOUT,'TAPE.FILE'
// EXTENT SYS001,WIMFDA,1,0,1,5000
// DLBL SORTIN1,'TAPE.FILE'
// EXTENT SYS002,WIMFDA,1,0,1,5000
// DLBL SORTWK1,'==.SORTWK1'
// EXEC SORT
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