



EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(915) 886-3800

November 18, 1999

NMOCD
811 South 1st Street
Artesia, New Mexico 88210
Attention: Bryan Arrant

RE: Enron Oil & Gas Company's
Conoco "8" State Com No. 1 Well
Eddy County, New Mexico



Gentlemen:

Enclosed please find Form C-105, amended C-104 and C-122 for the subject well. As you are aware Enron completed this well in the Cisco Formation with perforations at 9569 to 9580. After fracturing this well, production was established. Initial production testing on 10-6-99 reported flowing tubing pressure of 810 MCFPD with oil calculated at 216 bbls per day. Assuming that this rate would hold up Enron filed form C-104 on 10-8-99 in order to move test oil and requested a 200 BOPD allowable. NMOCD approved this request on 10-19-99. At that time you assigned this well to Red Lake (Cisco) East Pool. Further production testing has revealed that our initial optimism about this well's potential to be overly optimistic.

Our last 24 hour production test on 11-12-99 reports that this well on a 48/64 choke produced at the rate of 535 MMCFPD and only 18 bbls of oil, giving it an effective oil/gas ratio of 29,722 CFGPD to 1 BOPD.

We would request that this well be classified as a gas well and placed in an appropriate pool. To this end, I have purposely left blank Poole Name and Code on both forms C-104 and C-105.

Thanking you for your attention to this matter, I am

Very truly yours,

EOG RESOURCES, INC.

A handwritten signature in cursive script that reads "Mike Francis".
Mike Francis

Enclosure