

JUL 22 1997

STATE OF NEW MEXICO - TAXATION AND REVENUE DEPARTMENT

WELL WORKOVER PROJECT
APPLICATION AND REPORTING INSTRUCTIONS
(FORM RPD-41171)

Diamond 7 State #1 24026

Name of Individual, Firm or Organization Exxon Oil & Gas Company		OGRID Number (for Tax Filer) 7377
Contact Richard King	Telephone Number (713) 853-5041	
Mailing Address P.O. Box 4362		
City Houston	State TX	Zip Code 77210-4362
Check one: <input checked="" type="checkbox"/> Well Operator <input type="checkbox"/> Working Interest Owner <input type="checkbox"/> Purchaser		

57020

PUN
 POOL NAME
 API NUMBER
 PRODUCT KIND
 (PLEASE CHECK ALL THAT APPLY)

1047549
Bone Spring
30 025 32249
<input checked="" type="checkbox"/> NATURAL GAS <input checked="" type="checkbox"/> OIL

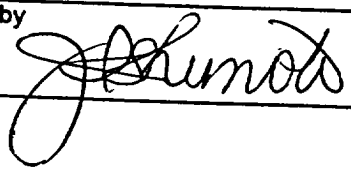
PLEASE ATTACH A COPY OF THE OIL CONSERVATION DIVISION'S APPLICATION FOR QUALIFICATION OF WELL WORKOVER PROJECT AND CERTIFICATION OF APPROVAL.
 FOR DEPARTMENT USE ONLY

CERTIFICATION OF APPROVAL TO USE WELL WORKOVER INCENTIVE TAX RATE

The New Mexico Taxation and Revenue Department is approving the use of the reduced severance tax rate for the above well completion based on the information that you have provided. This Department reserves the right to determine compliance with the provisions of the Natural Gas and Crude Oil Production Incentive Act.

Approval for use of the reduced severance tax rate begins with sales month 10/96.

Please use Special Tax Rate Code 04 on your Form(s) OGT-2 as it applies to the specific well completion and Production Unit Number listed above.

Approved by 	Date 7-28-97
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District I - (505) 393-6161
P.O. Box 1950
Albuquerque, NM 88241-1950
District II - (505) 748-1263
J. S. First
Albuquerque, NM 88210
District III - (505) 334-6178
100 Rio Brazos Road
Albuquerque, NM 87410
District IV

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Form C-14C
Originated 11/1/92

Submit Original
Plus 2 Copies
to appropriate
District Office

03/15/99-AMENDED PRODUCTION FORECAST

H-0318 3/5

APPLICATION FOR
QUALIFICATION OF WELL WORKOVER PROJECT
AND CERTIFICATION OF APPROVAL

THREE COPIES OF THIS APPLICATION AND ALL ATTACHMENTS MUST BE FILED WITH THE APPROPRIATE DISTRICT OFFICE OF THE OIL CONSERVATION DIVISION.

I. Operator: Enron Oil & Gas Company OGRID #: 7377

Address: P. O. Box 2267, Midland, Texas 79702

Contact Party: Betty Gildon Phone: 915/686-3714

II. Name of Well: Diamond 7 State #1 API #: 30025 32249
Location of Well: Unit Letter F, 1650 Feet from the north line and 2310 feet from the west line,
Section 7, Township 25S, Range 34E, NMPM, Lea County

III. Date Workover Procedures Commenced: 9-18-96
Date Workover Procedures were Completed: 9-18-96

IV. Attach a description of the Workover Procedures undertaken to increase the projection from the Well.
Installed tubing
V. Attach an estimate of the production rate of the Well (a production decline curve or other acceptable method, and table showing monthly oil and/or gas Project Production) based on at least twelve (12) months of established production which shows the future rate of production based on well performance prior to performing Workover.

VI. Pool(s) on which Production Projection is based: Red Hills Bone Spring

VII. AFFIDAVIT:
State of Texas)
County of Midland) ss.

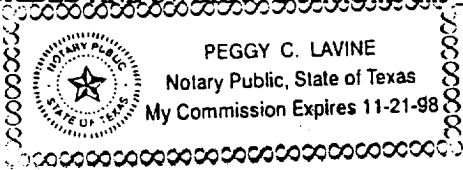
Betty Gildon being first duly sworn, upon oath states:

1. I am the Operator or authorized representative of the Operator of the above referenced Well.
2. I have made, or caused to be made, a diligent search of the production records which are reasonably available and contain information relevant to the production history of this Well.
3. To the best of my knowledge, the data used to prepare the Production Projection for this Well is complete and accurate and this projection was prepared using sound petroleum engineering principles.

Betty Gildon
(Name)
Betty Gildon, Regulatory Analyst
(Title)

JUL 09 1997

SUBSCRIBED AND SWORN TO before me this 16th day of June, 1997



Peggy C. Lavine

Notary Public

My Commission expires: _____

FOR OIL CONSERVATION DIVISION USE ONLY:

VIII. CERTIFICATION OF APPROVAL:

This Application for Qualification of Well Workover Project is hereby approved and the above referenced Well is designated as a Well Workover Project pursuant to the "Natural Gas and Crude Oil Production Incentive Act" (Laws 1995, Chapter 15, Sections 1 through 8). The Oil Conservation Division hereby verifies the Production Projection for the Well Workover Project attached to this application. By copy of this Application and Certification of Approval, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that this Well Workover Project has been completed as of 9/18/96, 1996.

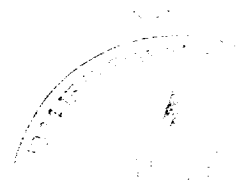
[Signature]
District Supervisor, District _____
Oil Conservation Division

Date: 7/7/97

IX. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT.

DATE: _____

Revised [Signature]
3/25/99



Diamond 7 State No. 1

REVISED 03/15/99

Production Projection Before Workover

Base Rate at WO on 09/96

Oil 2100 BOPM
 Gas 2700 mcf/mo

Decline(exp)

35 %/yr
 40 %/yr

Date	Oil BOPM	Gas MCF/Mo
Sep-96	2100.0	2700.0
Oct-96	2039.6	2611.5
Nov-96	1981.0	2525.9
Dec-96	1924.1	2443.1
Jan-97	1868.8	2363.0
Feb-97	1815.0	2285.5
Mar-97	1762.9	2210.6
Apr-97	1712.2	2138.1
May-97	1663.0	2068.0
Jun-97	1615.2	2000.2
Jul-97	1568.7	1934.6
Aug-97	1523.6	1871.2
Sep-97	1479.8	1809.9
Oct-97	1437.3	1750.5
Nov-97	1396.0	1693.1
Dec-97	1355.9	1637.6
Jan-98	1316.9	1583.9
Feb-98	1279.0	1532.0
Mar-98	1242.3	1481.8
Apr-98	1206.6	1433.2
May-98	1171.9	1386.2
Jun-98	1138.2	1340.8
Jul-98	1105.5	1296.8
Aug-98	1073.7	1254.3
Sep-98	1042.8	1213.2
Oct-98	1012.9	1173.4
Nov-98	983.7	1134.9
Dec-98	955.5	1097.7
Jan-99	928.0	1061.7
Feb-99	901.3	1026.9
Mar-99	875.4	993.3
Apr-99	850.2	960.7
May-99	825.8	929.2
Jun-99	802.1	898.8
Jul-99	779.0	869.3
Aug-99	756.6	840.8
Sep-99	734.9	813.2
Oct-99	713.7	786.6
Nov-99	693.2	760.8
Dec-99	673.3	735.8
Jan-00	653.9	711.7
Feb-00	635.1	688.4
Mar-00	616.9	665.8

Date	Oil BOPM	Gas MCF/Mo
Apr-00	599.2	644.0
May-00	581.9	622.9
Jun-00	565.2	602.5
Jul-00	549.0	582.7
Aug-00	533.2	563.6
Sep-00	517.9	545.1
Oct-00	503.0	527.2
Nov-00	488.5	510.0
Dec-00	474.5	493.2
Jan-01	460.8	477.1
Feb-01	447.6	461.4
Mar-01	434.7	446.3
Apr-01	422.2	431.7
May-01	410.1	417.5
Jun-01	398.3	403.8
Jul-01	386.8	390.6
Aug-01	375.7	377.8
Sep-01	364.9	365.4
Oct-01	354.4	353.4
Nov-01	344.2	341.8
Dec-01	334.4	330.6
Jan-02	324.7	319.8
Feb-02	315.4	309.3
Mar-02	306.3	299.2
Apr-02	297.5	289.4
May-02	289.0	279.9
Jun-02	280.7	270.7
Jul-02	272.6	261.8
Aug-02	264.8	253.2
Sep-02	257.2	244.9
Oct-02	249.8	236.9
Nov-02	242.6	229.1
Dec-02	235.6	221.6
Jan-03	228.8	214.4
Feb-03	222.3	207.3
Mar-03	215.9	200.5
Apr-03	209.7	194.0
May-03	203.6	187.6
Jun-03	197.8	181.5
Jul-03	192.1	175.5
Aug-03	186.6	169.8
Sep-03	181.2	164.2
Oct-03	176.0	158.8

Date	Oil BOPM	Gas MCF/Mo
Nov-03	170.9	153.6
Dec-03	166.0	148.6
Jan-04	161.3	143.7
Feb-04	156.6	139.0
Mar-04	152.1	134.4
Apr-04	147.8	130.0
May-04	143.5	125.8
Jun-04	139.4	121.6
Jul-04	135.4	117.6
Aug-04	131.5	113.8
Sep-04	127.7	110.1
Oct-04	124.0	106.4
Nov-04	120.5	103.0
Dec-04	117.0	99.6
Jan-05	113.6	96.3
Feb-05	110.4	93.2
Mar-05	107.2	90.1
Apr-05	104.1	87.2
May-05	101.1	84.3
Jun-05	98.2	81.5
Jul-05	95.4	78.9
Aug-05	92.7	76.3
Sep-05	90.0	73.8
Oct-05	87.4	71.4
Nov-05	84.9	69.0
Dec-05	82.5	66.8
Jan-06	80.1	64.6
Feb-06	77.8	62.4
Mar-06	75.5	60.4
Apr-06	73.4	58.4
May-06	71.3	56.5
Jun-06	69.2	54.7
Jul-06	67.2	52.9
Aug-06	65.3	51.1
Sep-06	63.4	49.5
Oct-06	61.6	47.8
Nov-06	59.8	46.3
Dec-06	58.1	44.7
Jan-07	56.4	43.3
Feb-07	54.8	41.9
Mar-07	53.2	40.5
Apr-07	51.7	39.2
May-07	50.2	37.9

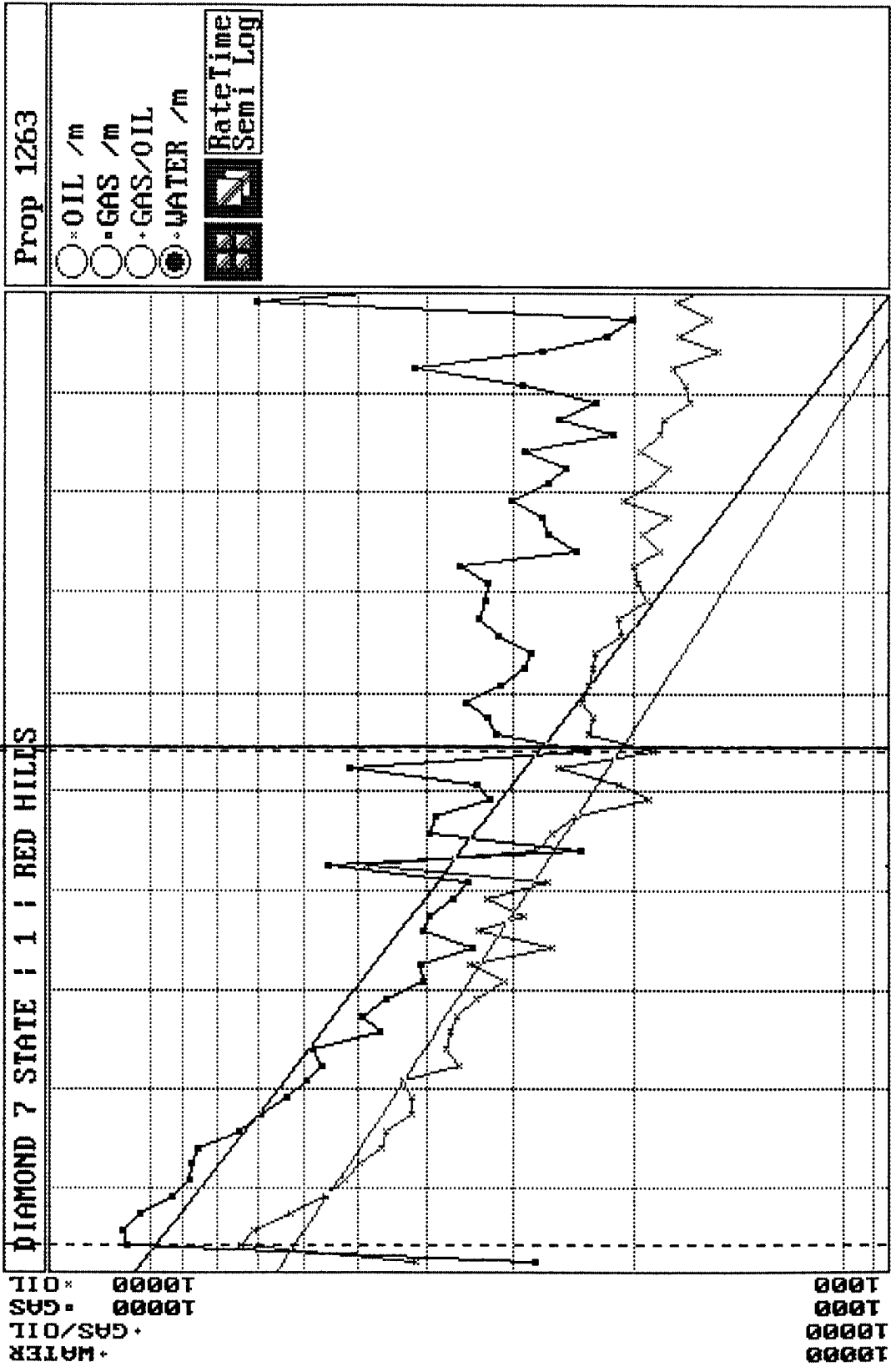
Diamond 7 State No. 1
 Production Projection Before Workover Continued

Date	Oil BOPM	Gas MCF/Mo
Jun-07	48.8	36.6
Jul-07	47.4	35.4
Aug-07	46.0	34.3
Sep-07	44.7	33.1
Oct-07	43.4	32.1
Nov-07	42.2	31.0
Dec-07	40.9	30.0
Jan-08	39.8	29.0
Feb-08	38.6	28.1
Mar-08	37.5	27.1
Apr-08	36.4	26.3
May-08	35.4	25.4
Jun-08	34.4	24.6
Jul-08	33.4	23.8
Aug-08	32.4	23.0
Sep-08	31.5	22.2
Oct-08	30.6	21.5
Nov-08	29.7	20.8
Dec-08	28.9	20.1
Jan-09	28.0	19.4
Feb-09	27.2	18.8
Mar-09	26.4	18.2
Apr-09	25.7	17.6
May-09	24.9	17.0
Jun-09	24.2	16.5
Jul-09	23.5	15.9
Aug-09	22.8	15.4
Sep-09	22.2	14.9
Oct-09	21.6	14.4
Nov-09	20.9	13.9
Dec-09	20.3	13.5
Jan-10	19.7	13.0
Feb-10	19.2	12.6
Mar-10	18.6	12.2
Apr-10	18.1	11.8
May-10	17.6	11.4
Jun-10	17.1	11.0
Jul-10	16.6	10.7
Aug-10	16.1	10.3
Sep-10	15.6	10.0
Oct-10	15.2	9.7
Nov-10	14.8	9.3
Dec-10	14.3	9.0
Jan-11	13.9	8.7
Feb-11	13.5	8.5
Mar-11	13.1	8.2

Date	Oil BOPM	Gas MCF/Mo
Apr-11	12.7	7.9
May-11	12.4	7.6
Jun-11	12.0	7.4
Jul-11	11.7	7.2
Aug-11	11.3	6.9
Sep-11	11.0	6.7
Oct-11	10.7	6.5
Nov-11	10.4	6.3
Dec-11	10.1	6.1
Jan-12	9.8	5.9
Feb-12	9.5	5.7
Mar-12	9.3	5.5
Apr-12	9.0	5.3
May-12	8.7	5.1
Jun-12	8.5	5.0
Jul-12	8.2	4.8
Aug-12	8.0	4.6
Sep-12	7.8	4.5
Oct-12	7.5	4.3
Nov-12	7.3	4.2
Dec-12	7.1	4.1
Jan-13	6.9	3.9
Feb-13	6.7	3.8
Mar-13	6.5	3.7
Apr-13	6.3	3.6
May-13	6.1	3.4
Jun-13	6.0	3.3
Jul-13	5.8	3.2
Aug-13	5.6	3.1
Sep-13	5.5	3.0
Oct-13	5.3	2.9
Nov-13	5.2	2.8
Dec-13	5.0	2.7
Jan-14	4.9	2.6
Feb-14	4.7	2.5
Mar-14	4.6	2.5
Apr-14	4.5	2.4
May-14	4.3	2.3
Jun-14	4.2	2.2
Jul-14	4.1	2.2
Aug-14	4.0	2.1
Sep-14	3.9	2.0
Oct-14	3.7	1.9
Nov-14	3.6	1.9
Dec-14	3.5	1.8
Jan-15	3.4	1.8

Date	Oil BOPM	Gas MCF/Mo
Feb-15	3.3	1.7
Mar-15	3.2	1.7
Apr-15	3.1	1.6
May-15	3.1	1.5
Jun-15	3.0	1.5
Jul-15	2.9	1.4
Aug-15	2.8	1.4
Sep-15	2.7	1.4
Oct-15	2.6	1.3
Nov-15	2.6	1.3
Dec-15	2.5	1.2
Jan-16	2.4	1.2
Feb-16	2.3	1.1
Mar-16	2.3	1.1
Apr-16	2.2	1.1
May-16	2.2	1.0
Jun-16	2.1	1.0
Jul-16	2.0	1.0
Aug-16	2.0	0.0
Sep-16	1.9	0.0
Oct-16	1.9	0.0
Nov-16	1.8	0.0
Dec-16	1.8	0.0
Jan-17	1.7	0.0
Feb-17	1.7	0.0
Mar-17	1.6	0.0
Apr-17	1.6	0.0
May-17	1.5	0.0
Jun-17	1.5	0.0
Jul-17	1.4	0.0
Aug-17	1.4	0.0
Sep-17	1.3	0.0
Oct-17	1.3	0.0
Nov-17	1.3	0.0
Dec-17	1.2	0.0
Jan-18	1.2	0.0
Feb-18	1.2	0.0
Mar-18	1.1	0.0
Apr-18	1.1	0.0
May-18	1.1	0.0
Jun-18	1.0	0.0
Jul-18	1.0	0.0
Aug-18	1.0	0.0
Sep-18	1.0	0.0
Oct-18	0.0	0.0

Base Prod Proj. Data | Workover



DIAMOND "7" STATE NO. 1
1,650' FNL & 2,310' FWL
Sec 7-25S-34E
LEA Co., NM
Spud Date:

ENRON OIL & GAS COMPANY
DEV W/O: 0'

EOG%: 95.3183% WI 81.6376% NRI
AFE No.: 10-1116
DHC: 0; CWC: 64,000

- 09/17/96 Install approximately 12,500' 2-7/8" N-80 EUE 8rd tbg.
3 hrs install well anchors, set frac tanks and set pipe racks and unload tbg. 2 RU Rapid Hot Oiler. Pump down csg 110 bbls 300 hot oil to clean out paraffin RD Hot oiler. 3 hr RU Yale E. Key Well Service. ND wellhead. NU BOP. Tally tbg and remove protectors. 6 hrs TIH with 4-3/4" bit, 5-1/2" csg scraper, 9,363 jts 2-7/8" 6.50# N-80 EUE 8rd tbg to 11,253'. Will continue this morning. SDFN. DWC \$5,155. CWC \$5,155.
- 09/18/96 3 hrs RCTL - well dead. TIH with 32 jts 2-7/8" 6.50# N-80 EUE 8rd tbg. Tag fill @ 12,133'. RU kill truck for reverse circulation. 4 hrs Start circulation down csg and up tbg to tnk. Approx 270 bbls produced water were used to load up hole. Continue reverse circulation. Cleaned out 134' to 12,267'. Worked bit, could not clean out anymore. Bit plugged up. Pumped down tbg to 1800 psi 4 attempt to unplug. Bit still plugged. 4.5 hrs TOH with 399 jts 2-7/8" tbg, 5-1/2" csg scraper & 4-3/4" bit. Bit plugged with metal & frac band. TD @ 12,267'. 1.5 hrs TIH with MA with BP, perf sub, SN, 9 jts tbg, TAC, & 100 jts 2-7/8" 6.50 N-80 EUE 8rd tbg. SDFN. DWC \$2,824. CWC \$7,979.
- 09/19/96 6 hrs RCTL - well dead. TIH with 284 jts 2-7/8" jts 2-7/8" 6.50# N-80 EUE 8rd tbg to 12,120' SN @ 12,085' Perf sub @ 12,089'. ND BoP. Set TAC with 13 pts tension. NU tree and wellhead equipment. 6 hrs start swabbing on well. Fluid level @ start 2,000' made 20 runs. Ending fluid level 4500'. Last run had some gas shwo. Rec 133 bbls water tbg - 0 psi. Left well open to frac tank on 30/64' chk. SDFN. DWC \$45,196. CWC \$53,175.
- 09/20/96 1 hr RCTL - well dead. Start swabbing on well. FL @ 4500'. Started out hole with swab. Main chain broke on PU swab cus @ approx 800'. Call Yale E. Key mechanic. 7 hrs Yale E. Key mechanic repairing main chain on PU. 6 hr start swabbing. FL @ 4500'. Made 20 runs. Ending FL 1500'. Rec 80 bbls fluid with 4% oil cut. Total bbls rec 213 bbls fluid. Turn well thru production equipment. Tbg had heavy gas blow csg 400 psi. SDFN. DWC \$1,790. CWC \$54,965.
- 09/21/96 13 hrs RCTL - well dead, swab on well, FL @ 1,400'. Made 37 run. Ending FL 3,500' csg - 500 psi. Rec 195 bbls total fluid. Left open to production equipment on 32/64" SDFN. DWC \$1,797. CWC \$56,762.
- 09/22/96 9 hrs RCTL - well dead, csg 1,250 psi. Swab on well. FL @ 1,300' made 17 runs. Last FL 2,100'. Well started flowing. Left well flowing on 32/64" chk. Tbg - 120, csg 1000 SDFN. Total fluid rec. 66 bbls. DWC \$1,135. CWC \$57,897.