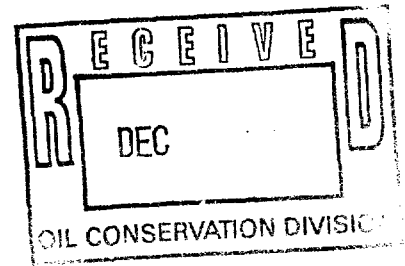


BEFORE THE  
OIL CONSERVATION DIVISION



NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF ENRON OIL & GAS COMPANY  
FOR AN UNORTHODOX WELL LOCATION,  
LEA COUNTY, NEW MEXICO.

CASE NO. 11177

**APPLICATION**

COMES NOW ENRON OIL & GAS COMPANY, through its undersigned attorneys,  
and hereby makes application for an order approving an unorthodox well location, and in  
support thereof states:

1. Applicant is the operator of the W/2 SE/4 of Section 1, Township 25 South, Range 33 East, N.M.P.M., Lea County, New Mexico and proposes to drill its Hallwood 1 Federal No. 3 Well in the Bone Spring formation, Red Hills-Bone Spring Pool, 1430 feet from the South line and 1830 feet from the East line in Unit J of said Section 1.
2. Applicant seeks an exception to Rule 4 of the Special Rules and Regulations for the Red Hills-Bone Spring Pool to permit the drilling of said well in the Bone Spring formation at the above-described location.
3. A standard 80-acre spacing and proration unit comprised of the W/2 SE/4 of said Section 1 should be dedicated to the well.

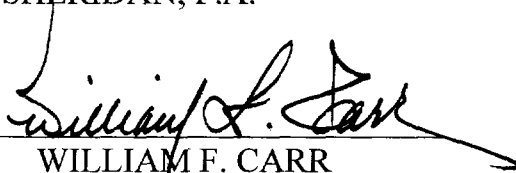
4. Approval of this application will afford Applicant the opportunity to produce its just and equitable share of the oil and gas from the Bone Spring formation and will otherwise be in the best interest of the conservation, the protection of correlative rights and the prevention of waste.

WHEREFORE, Applicant requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on January 5, 1995, and after notice and hearing as required by law, the Division enter its Order granting this application and providing such other relief as is proper.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

By:



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