

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 COMPULSORY POOLING AND AN
UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO.

CASE NO. 11795

APPLICATION

ENRON OIL & GAS COMPANY, ("Enron"), through its undersigned attorneys, hereby makes application pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests from the surface to the base of Devonian formation underlying the E/2 of Section 7, for all formations developed on 320-acre spacing and proration units including the South Bell Lake Morrow-Gas Pool, under the SE/4 of Section 7 for all formations developed on 160-acre spacing including the Bell Lake-Devonian Gas Pool, and under the NW/4 SE/4 of Section 7 for all formations developed on 40-acre spacing in Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico, and for an unorthodox well location, and in support thereof states:

1. Enron is a working interest owner in the E/2 of Section 7, and has the right to drill thereon.
2. Enron proposes to drill its Bell Lake Unit 7 Well No. 1 at an unorthodox location 2276 feet from the South line and 1863 feet from the East line of Section 7 to a

depth of approximately 16,200 feet sufficient to test any and all formations from the surface to the base of the Devonian formation.

3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the E/2 of said Section 7, identified as Exhibit A to this application.

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

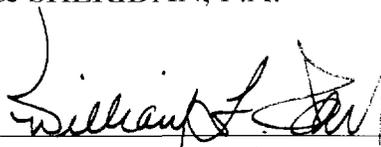
5. In order to permit Enron to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled and Enron should be designated the operator of the well to be drilled.

WHEREFORE, Enron Oil & Gas Company prays that this application be set for hearing before an Examiner of the Oil Conservation Division on June 12, 1997 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating Enron operator of all pooled units in the E/2 of said Section 7, and authorizing Enron to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, imposing a risk factor for the risk assumed by Enron in drilling, completing and equipping the well.

Respectfully submitted,

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

By:


WILLIAM F. CARR
PAUL R. OWEN
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR ENRON OIL & GAS
COMPANY