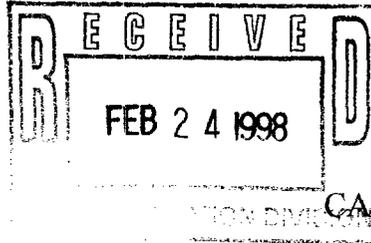


**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

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



CASE NO. 11950

**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 the Chester formation, or a depth of 11,800 feet, underlying Lots 1, 2, 3 and 4 and the E/2 W/2 (W/2 equivalent) of Section 31, Township 17 South, Range 30 East, in the following described manner: Lots 1, 2, 3, and 4 and the E/2 W/2 forming a 310.56-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing; Lots 3 and 4 and the E/2 SW/4 for any and all formations and/or pools developed on 160-acre spacing; Lot 4 and the SE/4 SW/4 for any and all formations and/or pools developed on 80-acre spacing, and Lot 4 for any and all formations and/or pools developed on 40-acre spacing, and in support thereof states:

1. Enron is a working interest owner in the W/2 equivalent of Section 31, on which it proposes to drill its Sand Tank "31" Fed. Com. Well No. 21 as a development well to the Chester formation at an unorthodox location 990 feet from the South line and 1200 feet from the West line of Section 31 to a depth of approximately 11,800 feet to test any and all formations from the surface to the base of the Chester formation, Sand Tank-Morrow and

Sand Tank-Chester Pool. The location has been administratively approved by the Division in Administrative Order No. NSL-3932 dated January 14, 1998.

2. Enron has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the W/2 equivalent of said Section 31.

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

4. 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.

WHEREFORE, Enron Oil & Gas Company prays that this application be set for hearing before an Examiner of the Oil Conservation Division on March 19, 1998 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating Enron operator of the W/2 equivalent of said Section 31, 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 the Applicant in drilling, completing and equipping the well.

Respectfully submitted,

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

By:



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