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April 7, 1998

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

700 1980

Re: Application of Enron Oil and Gas Company for Compulsory Pooling, Lea
County, New Mexico

Dear Ms Wrotenbery:

Enclosed in triplicate is the Application of Enron Oil and Gas Company in the above-referenced case as well as a copy of a legal advertisement. Enron Oil and Gas Company respectfully requests that this matter be placed on the docket for the April 30, 1998 Examiner hearings.

Very truly yours,

WILLIAM F. CARR
PAUL R. OWEN
WFC/PRO:mlh

Enclosures

cc: G. Dean Sowell (w/enclosures)

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

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

CASE NO. _____

APPLICATION

ENRON OIL AND 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 in all formations developed on 320-acre spacing underlying the S/2, in all formations developed on 160-acre spacing in the SW/4, in all formations developed on 80-acre spacing in the S/2 SW/4 and in all formations developed on 40-acre spacing from the surface to the base of the Ellenburger formation in the SE/4 SW/4 of Section 23, Township 23 South, Range 37 East, Lea County, New Mexico. In support of this Application, Enron states:

1. Enron is a working interest owner in the S/2 of said Section 23, on which it proposes to drill its Hunt "23" #1 Well to the Ellenburger formation. at a standard location 330 feet from the South line and 1950 feet from the West line of said Section 23 to a depth sufficient to test any and all formations from the surface to the base of the Ellenburger formation.

2. Enron has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the S/2 of said Section 23. The names and addresses of those interest owners from whom Enron has been unable to obtain either voluntary agreement for pooling or farmout is attached hereto as Exhibit "A."

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 Applicant should be designated the operator of the well.

5. Granting this application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Enron Oil and Gas Company requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 30, 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 S/2 of said Section 23, 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, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well.

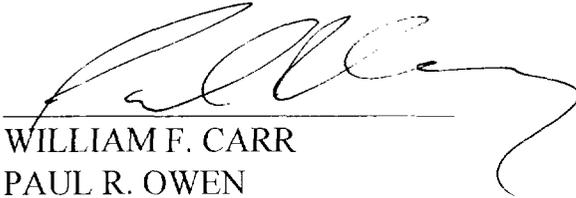
APPLICATION

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Respectfully submitted,

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

By:

A handwritten signature in black ink, appearing to read 'W. Carr', is written over a horizontal line. The signature is fluid and cursive, extending to the right of the line.

WILLIAM F. CARR

PAUL R. OWEN

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR ENRON OIL AND GAS COMPANY

**EXHIBIT A
NOTIFICATION LIST
APPLICATION OF ENRON OIL AND GAS COMPANY
FOR COMPULSORY POOLING
LEA COUNTY, NEW MEXICO**

**SECTION 23, TOWNSHIP 23 SOUTH, RANGE 37 EAST,
NMPM, LEA COUNTY, NEW MEXICO**

Roy Barton, Jr. as Trustee
of the Roy Barton, Sr. and
Opal Barton Revocable Trust
1919 North Turner
Hobbs, New Mexico 88240

CASE 1490

Application of Enron Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all formations developed on 320-acre spacing underlying the S/2, in all formations developed on 160-acre spacing in the SE/4, in all formations developed on 80-acre spacing in the S/2 SW/4 and in all formations developed on 40-acre spacing from the surface to the base of the Ellenburger formation in the SE/4 SW/4 of Section 23, Township 23 South, Range 37 East, Lea County, New Mexico. Applicant proposes to dedicate this acreage to its Hunt "23" #1 Well to be drilled at a standard location 330 feet from the South line and 1950 feet from the West line of said Section 23. Also to be considered will the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 11 miles South of Eunice, New Mexico.