



August 27, 1999

Enron Oil & Gas

Company

P.O. Box 2267
Midland, TX 79702
(915) 686-3600

Chi Energy, Inc.
P. O. Box 1799
Midland, Texas 79702

Attention: Mr. John W. Qualls

Re: Well Proposal
Amtrak State Com. No. 1
1000' FSL & 660' FEL
Section 4-17S-28E
Eddy County, New Mexico

CERTIFIED RETURN RECEIPT

Dear Mr. Qualls:

Enron Oil & Gas Company (soon to be EOG Resources, Inc.) proposes the drilling of the Amtrak State Com. No. 1 well as a 10,200' Morrow test. The E/2 Section 4-T17S-R28E, Eddy County New Mexico is the proposed spacing unit for this well.

In this regard please find (2) copies of Enron's AFE for this test. Should you elect to participate, please execute and return one (1) AFE. An Operating Agreement will be forwarded upon such election.

Should you elect not to participate, Enron would be willing to enter into a mutually agreeable trade for the drilling of this well.

Should you have any questions, feel free to call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY

Patrick J. Tower
Project Landman

PJT/acl
Attachment

U:\and\etter AmTrak State Com #1.doc

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12252 Exhibit No. 5
Submitted by: Enron Oil and Gas Company

Hearing Date: October 21, 1999



September 13, 1999

**Enron Oil & Gas
Company**

P.O. Box 2267
Midland, TX 79702
(915) 686-3600

Southwestern Energy Production Company
2350 N. Sam Houston
Suite 300
Houston, Texas 77032

Attention: Mr. Samuel Glenn Thompson

Re: Well Proposal
Amtrak State Com. No. 1
660' FSL & 660' FEL
Section 4-17S-28E
Eddy County, New Mexico

CERTIFIED RETURN RECEIPT

Gentlemen:

EOG Resources, Inc. (formerly Enron Oil & Gas Company) had proposed the drilling of the Amtrak State Com. No. 1 well as a 10,200' Morrow test to Chi Energy, Inc. in letter of August 27, 1999 (copy attached). Although this is considered a Lower Morrow test, this total depth actually bottoms the well in the top of the Mississippian Chester formation. Since this proposal was sent it has come to EOG's attention that your company may have a contractual working interest in Chi's leasehold, although there is nothing of record. Therefore EOG is forwarding this well proposal to your company in the event your company does have a working interest and should be afforded an election.

At the time EOG proposed the well to Chi it was to be located 1000' FSL and 660' FEL of this Section 4. Since this time, the location has moved to 660' FSL and 660' FEL due to a playa lake.

In this regard please find (2) copies of Enron's AFE for this test. Should you own an interest and should you elect to participate, please execute and return one (1) AFE. An Operating Agreement will be forwarded upon such election.

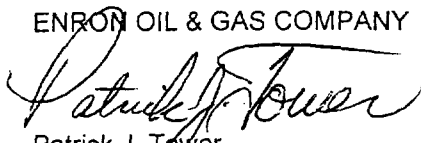
Should you elect not to participate, Enron would be willing to enter into a mutually agreeable trade for the drilling of this well.

Also, as you are likely aware, Chi Energy, Inc. has proposed a similar well albeit at a location in the SW/4 and with the S/2 of this Section 4 as the spacing unit. Today EOG received a compulsory pooling application for their location and spacing unit. Although EOG would prefer to enter into mutual trades, EOG is forced to file its own compulsory pooling hearing to protect its interests. Even though your company will soon receive this application, EOG is still hopeful of entering into voluntary agreements.

Should you have any questions, feel free to call me at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY


Patrick J. Tower
Project Landman

EOG MIDLAND DIVISON

COMMAND #083

	DATE	TIME	TO/FROM	MODE	MIN/SEC	PGS	STATUS
001	9/13	15:52	2816184757	EC--S	01"38	003	OK

FAX

ENRON
Oil & Gas Company

**P. O. BOX 2287
4000 N. BIG SPRING ST., SUITE 500
MIDLAND, TEXAS 79705
(915) 686-3600**

DATE:	<u>13-Sep-99</u>	NO. PAGES:	<u>3</u> (INCLUDING COVER PAGE)
TO:	<u>Southwestern Energy Prod. Co.</u> <u>Attention: Samuel G. Thompson'</u>	COMPANY:	
		TELE NO:	<u>(281) 618-4700</u>
		FAX NO:	<u>(281) 618-4757</u>
FROM:	<u>Patrick Tower</u>	TELE NO:	<u>915-686-3758</u>
		FAX NO:	<u>915 - 686 - 3773</u>

IF PAGES ARE NOT RECEIVED OR IF THERE ARE ANY TRANSMISSION PROBLEMS,
PLEASE CALL NUMBER LISTED ABOVE.

 URGENT CONFIDENTIAL REPLY REQUESTED

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services for an extra fee:

- 1. ☐ Addressee's Address
- 2. ☒ Restricted Delivery

Complete and check off for fee.

3. Article Addressed to:

Southwestern Energy Prod. Co.
2350 N. Sam Houston Parkway E.
Suite 300
Houston, Texas 77032
Attention: *S.G. Thompson*

4a. Article Number

4b. Insure

☐ Insure

☒ Collect

☐ Express

☐ Registered

☐ Signature Required

☐ Signature Required for

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5. Signature (Addressee)

J.R. Benson

6. Signature (Agent)

J.R. Benson

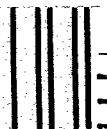
8. Addressee's Address (only if requested and fee is paid)

PS Form 3811, December 1991 U.S.G.P.O. 1992-207-500

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

UNITED STATES POSTAL SERVICE



Official Business

RECEIVED

SEP 17 1999

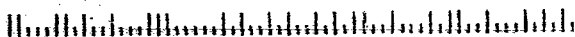
LAND DEPT.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$360

Amtrak St Com #1

Print your name, address and ZIP Code here

EOG Resources, Inc.
Attn: Patrick Tower
P. O. Box 2267
Midland, Texas 79702



.....

+

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

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
PAUL R. OWEN
ANTHONY F. MEDEIROS

JACK M. CAMPBELL
1916-1999

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

September 14, 1999

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Southwestern Energy Production Company
2350 N. Sam Houston
Suite 300
Houston, Texas 77032

Re: Application of Enron Oil & Gas Company for Compulsory Pooling, Eddy
County, New Mexico

Gentlemen:

This letter is to advise you that Enron Oil & Gas Company has filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests from the surface to the base of the Chester formation in certain spacing and proration units in the E/2 of Section 4, Township 17 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Enron proposes to dedicate the referenced pooled unit to its Amtrak State Com Well No. 1 to be drilled at a standard location 660 feet from the South line and East lines of said Section 4.

This application has been set for hearing before a Division Examiner on October 7, 1999. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Southwestern Energy Production Company

August 14, 1999

Page 2

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a large initial "W" and a stylized "C".

WILLIAM F. CARR

ATTORNEY FOR ENRON OIL & GAS COMPANY

cc: Patrick J. Tower

CHI Energy, Inc.**P. O. Box 1799
Midland, TX 79702**FAX TRANSMISSIONDATE SENT: 9-28-99 TIME SENT: 10:35 AMTO: NAME: Pat Tower
LOCATION: Exxon
TELEPHONE/FAX NO.: 686-3686FROM: NAME: Gary Green
LOCATION: _____
TELEPHONE/FAX NO.: 915-685-5001/915-687-2662NUMBER OF PAGES: 1 + COVERMEMO:

This is a confidential facsimile. If you are not the intended party, please contact this office at 915-685-5001.

T-17S-R-28
Sec. 4: SE/4
Eddy County, New Mexico

Chi Energy, Inc.

P. O. Box 1799

Midland, Texas 79702

685-5001/687-2662

$$14.32143\% \times .75 \times 160AC = 17.185716 \text{ net AC}$$

$$\div 318.48 = 5.39617\%$$

Southwestern Energy Production Company

2350 North Sam Houston Parkway East, Ste 300

Houston, Texas 77032

281-618-4719/281-618-4757

43.75%

Murchison Oil & Gas Inc.

1445 Ross Avenue, Suite 5300. LB 152

Dallas, Texas 75202

214-953-1414/214-953-0263

$$21.42857\% = 8.07407\%$$

$$= 16.48455$$

Warren Resources

HCR-8, Box 480-A

Beeville, Texas 78102

512-318-5371/361-358-2714

1.5%

Balk Oil Company

P. O. Box 5782

Midland, Texas 79704

684-4692/684-4694

$$5.0\% = 1.88395\%$$

$$0.56518\%$$

Pocahontas Oil Company

P. O. Box 60476

Midland, Texas 79711

563-0449/563-0459

$$1.5\% = 0.56518\%$$

Manix Energy, LLC

P. O. Box 2818

Midland, Texas 79702

682-2554/6824081

$$12.5\% = 4.70987\%$$

* These are the interests owned as to Chi's 75% of the SE/4 of Section 4.

$$\text{TOTAL} = 37.67897\%$$



EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(915) 686-3600

October 1, 1999

Working Interest Owners
(See Addressee List)

Re: Joint Operating Agreement
E/2 Section 4, T-17-S, R-28-E
Eddy County, New Mexico

Gentlemen:

Enclosed please find that certain Joint Operating Agreement (JOA) dated September 22, 1999 with two signature pages and two copies of the Model Form Recording Supplement to the JOA and Financing Statement. If this meets with your approval, please execute the two JOA signature pages, sign and acknowledge the Financing Statement and return one copy of each to the undersigned. The enclosed copy of the JOA and one copy of the Financing Statement may be retained for your files. A recorded copy of the Financing Statement and a copy of all the signature pages to the JOA will be provided when available.

As you aware, EOG has a Compulsory Pooling hearing scheduled for October 7, 1999. EOG plans on continuing this hearing to allow time to secure execution of this JOA. Once EOG has received your signed JOA and AFE, EOG will dismiss your interest from the Compulsory Pooling. As a rig is scheduled for this property in the near future, your prompt response is appreciated.

If you have any questions, please feel free to call (915) 686-3758.

Sincerely,

EOG RESOURCES, INC.

Patrick J. Tower
Project Landman

Enclosures
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Working Interest Owners
Addressee List

Chi Energy, Inc.
P. O. Box 1799
Midland, Texas 79702
Attention: Mr. John W. Qualls

Yates Petroleum Corporation
Yates Drilling Company
ABO Petroleum Corporation
MYCO Industries, Inc.
105 South Fourth Street
Artesia, New Mexico 88210
Attention: Douglas W. Hurlbut

Murchison Oil and Gas, Inc.
1445 Ross Avenue, Suite 5300, LB 152
Dallas, Texas 75202-2883
Attention: Michael Daugherty

Manix Energy, LLC
P. O. Box 2818
Midland, Texas 79702
Attention: John Hillman

Southwestern Energy Production Company
2350 N. Sam Houston, Suite 300
Houston, Texas 77032
Attention: Samuel Glenn Thompson

Balk Oil Company
P. O. Box 5782
Midland, Texas 79704

Warren Resources
HCR-8, Box 480A
Beeville, Texas 78102

Pocahontas Oil Company
P. O. Box 60476
Midland, Texas 79711

Mark A. Chapman and Wife
#13 Townhouse Court
Bellaire, Texas 77401-3315



EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(915) 686-3600

October 7, 1999

SEE ATTACHED FOR ADDRESS LIST

Re: Original Drilling Title Opinion
Amtrack State Com. No. 1
Section 4-17S-28E
Eddy County, New Mexico
Mesa Cuervo Prospect

Enclosed please find Turner & Davis' Original Drilling Title Opinion dated September 20, 1999 covering the referenced. Please note that insofar as your leasehold, only lease No. 2 (St. No. 2029) in this title opinion will be involved in this E/2 spacing unit. Please review your title requirements and advise if any requirements will hold up EOG moving a rig to this location within the next 10 days. If any of these requirements are critical to your company and are not going to be waived, please advise immediately.

Your cooperation in this matter is most appreciated.

Sincerely,

EOG RESOURCES, INC.

Patrick J. Tower
Landman

PJT:acI

u:\and\pjt ltr amtrack st no1 drlg title opinion.doc

ADDRESSES OF THE PARTIES

EOG Resources, Inc.
P. O. Box 2267
Midland, Texas 79702
Attention: Patrick Tower

Phone: 915-686-3600
Fax: 915-686-3773

Chi Energy, Inc.
P. O. Box 1799
Midland, Texas 79702
Attention: Mr. John W. Qualls

Phone: 915-685-5001
Fax: 915-687-2662

Yates Petroleum Corporation
Yates Drilling Company
ABO Petroleum Corporation
MYCO Industries, Inc.
105 South Fourth Street
Artesia, New Mexico 88210
Attention: Douglas W. Hurlbut

Phone: 505-748-1471
Fax: 505-748-4572

Murchison Oil and Gas, Inc.
1445 Ross Avenue, Suite 5300, LB 152
Dallas, Texas 75202-2883
Attention: Michael Daugherty

Phone: 214-953-1414
Fax: 214-953-0263

Manix Energy, LLC
P. O. Box 2818
Midland, Texas 79702
Attention: John Hillman

Phone: 915-682-2554
Fax: 915-682-4081

Southwestern Energy Production Company
2350 N. Sam Houston, Suite 300
Houston, Texas 77032
Attention: Samuel Glenn Thompson

Phone: 281-618-4700
Fax: 281-618-4757

Balk Oil Company
P. O. Box 5782
Midland, Texas 79704

Phone: 915-684-4692
Fax: 915-684-4694

Warren Resources
HCR-8, Box 480A
Beeville, Texas 78102

Phone: 512-318-5371
Fax: 361-358-2714

Pocahontas Oil Company
P. O. Box 60476
Midland, Texas 79711

Phone: 915-563-0449
Fax: 915-563-0459

Mark A. Chapman
#13 Townhouse Court
Bellaire, Texas 77401-3315



EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(915) 686-3600

October 12, 1999

Working Interest Owners
(See Addressee List)

Re: Joint Operating Agreement
E/2 Section 4, T-17-S, R-28-E
Eddy County, New Mexico

Gentlemen:

Enclosed please find a revised Exhibit "A" to that certain Joint Operating Agreement (JOA) dated September 22, 1999. The interest of the parties to this agreement has been revised. This revision corrects Balk Oil Company and Warren Resources interests, and adds an updated address for Mark A. Chapman. Please replace the existing Exhibit "A" with the revised Exhibit "A".

If you have any questions, please feel free to call (915) 686-3758.

Sincerely,

EOG RESOURCES, INC.

A handwritten signature in black ink, appearing to read "Patrick J. Tower".

Patrick J. Tower
Project Landman

Enclosures
U:\ltj\joaltrans_chi2.doc

Working Interest Owners
Addressee List

Chi Energy, Inc.
P. O. Box 1799
Midland, Texas 79702
Attention: Mr. John W. Qualls

Yates Petroleum Corporation
Yates Drilling Company
ABO Petroleum Corporation
MYCO Industries, Inc.
105 South Fourth Street
Artesia, New Mexico 88210
Attention: Douglas W. Hurlbut

Murchison Oil and Gas, Inc.
1445 Ross Avenue, Suite 5300, LB 152
Dallas, Texas 75202-2883
Attention: Michael Daugherty

Manix Energy, LLC
P. O. Box 2818
Midland, Texas 79702
Attention: John Hillman

Southwestern Energy Production Company
2350 N. Sam Houston, Suite 300
Houston, Texas 77032
Attention: Samuel Glenn Thompson

Balk Oil Company
P. O. Box 5782
Midland, Texas 79704

Warren Resources
HCR-8, Box 480A
Beeville, Texas 78102

Pocahontas Oil Company
P. O. Box 60476
Midland, Texas 79711

Mark A. Chapman, a single man
c/o Broughton Petroleum
P. O. Box 1389
Sealy, Texas 77474