



BEFORE EXAMINATION	
OIL COMPANY	
ENRON	EN-10
CASE NO	9907



ENRON

9907

18

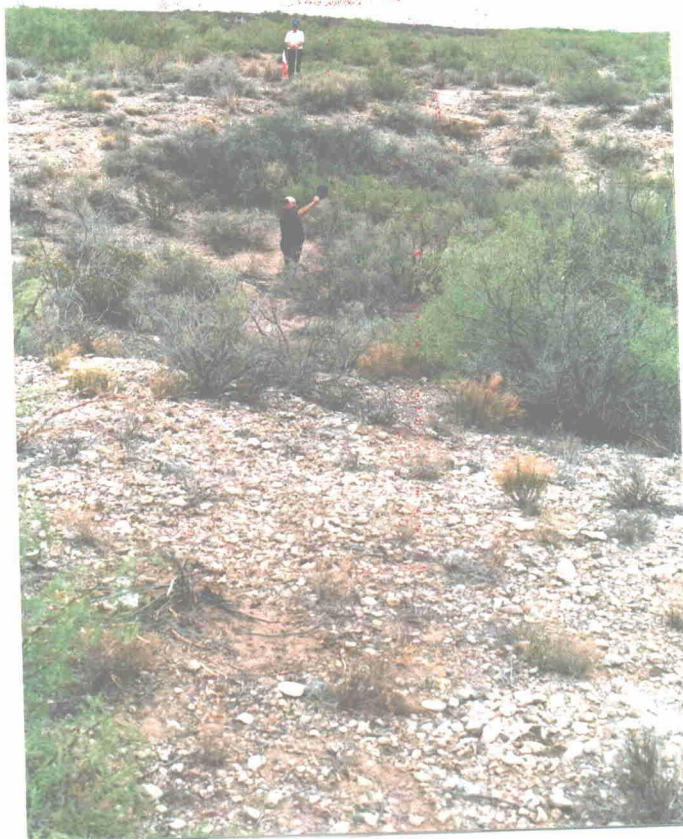


BEFORE EVIDENCE	
OIL CONSERVATION DIVISION	
ENRON	EXHIBIT NO. 11
CASE NO.	9907



BEFORE EXAMINER	
OIL CONSERVATION	
ENRON	EXHIBIT NO. 12
CASE NO.	9907





BEFORE EXAMINATION	
OF	
ENRON	EXHIBIT NO. 13
CASE NO.	9907



BETOIL	
OIL COMPANY	
ENRON	14
CASE NO.	9907



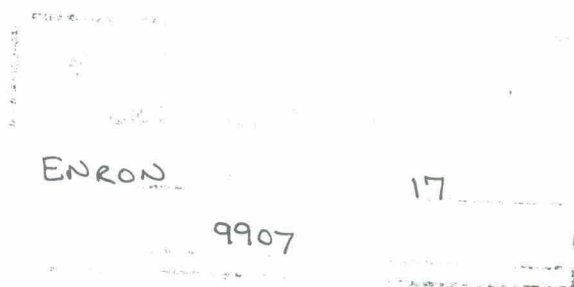
BEFORE EXAMINER'S SIGNATURE	
ON 11/15/2007	
ENRON	15
CASE NO.	9907



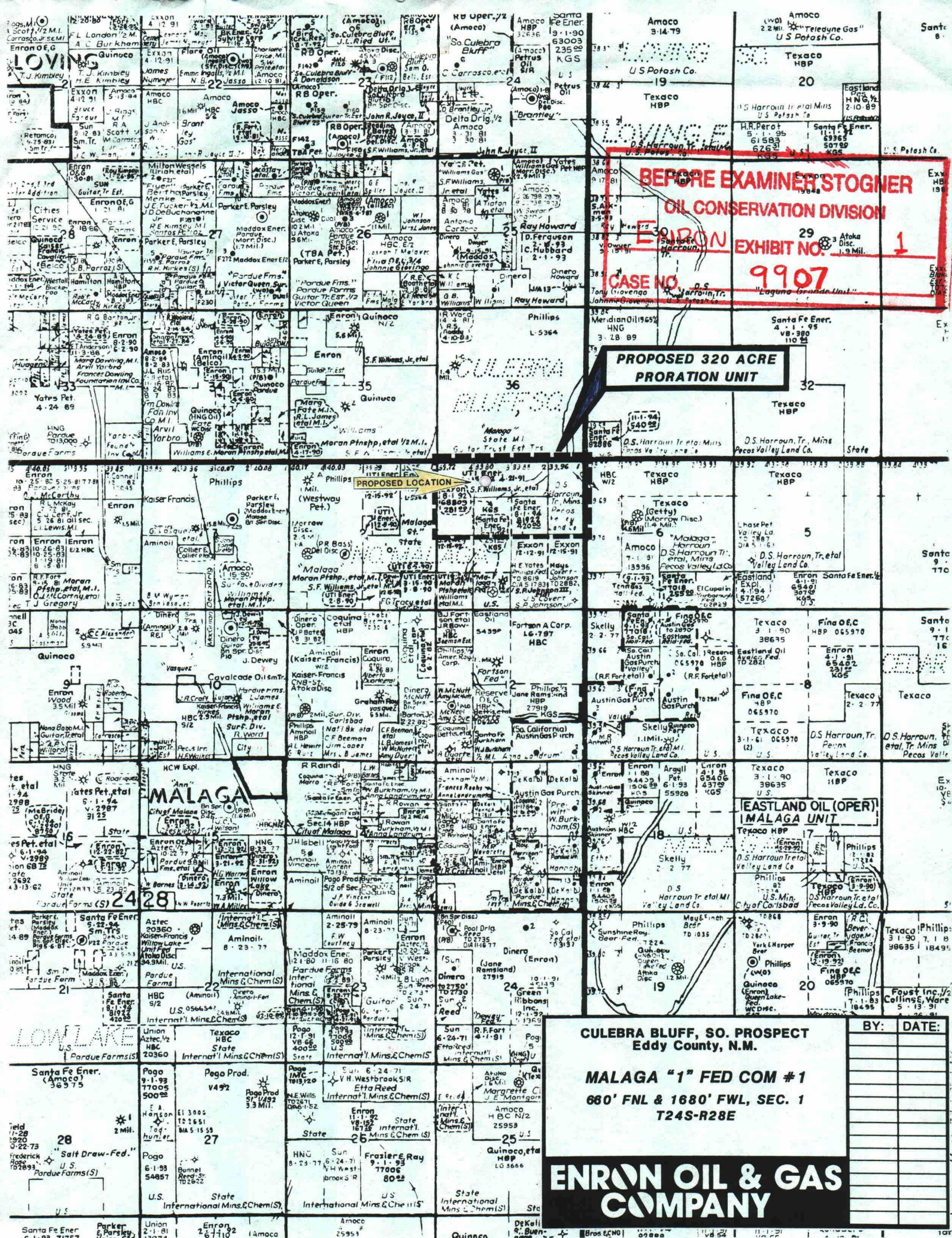


ENRON	16
9907	











LEASEHOLD OWNERSHIP  
N/2 of Section 1, T-24-S, R-28-E  
as of March 16, 1990

<u>LEASEHOLD OWNER</u>	<u>DESCRIPTION</u>	<u>ACRES GROSS/NET</u>	<u>PERCENTAGE INTEREST N/2 SEC. 1</u>
Enron Oil & Gas Company P. O. Box 2267 Midland, Texas 79702 Attn: Mr. Robert McCommon, Jr.	Lots 2,3,4, & SW/4 NW/4	159.40/63.760	19.964930%
Read & Stevens, Inc. P. O. Box 1518 Roswell, New Mexico 88201 Attn: Mr. Joel M. Wigley	Lots 2,3,4, & SW/4 NW/4	159.40/63.760	19.964930%
U.T.I. Energy Corporation 500 N. Loraine, Suite 1070 Midland, Texas 79701 Attn: Mr. Scott E. Wilson	Lots 2,3,4, & SW/4 NW/4	159.40/22.316	6.987725%
Mr. Richard K. Barr 500 N. Loraine, Suite 1070 Midland, Texas 79701	Lots 2,3,4, & SW/4 NW/4	159.40/4.782	1.497370%
Mr. Scott E. Wilson 500 N. Loraine, Suite 1070 Midland, Texas 79701	Lots 2,3,4, & SW/4 NW/4	159.40/4.782	1.497370%
<i>Page not checked</i> Exxon Company, U.S.A. P. O. Box 1600 Midland, Texas 79702 Attn: Mr. Joe B. Thomas	SE/4 NW/4	40.00/40.00	12.525050%
<i>Page and checked</i> Santa Fe Energy Operating Partners, L.P. (Santa Fe Pacific Exploration Company, Managing General Partner) 500 W. Illinois, Suite 500 Midland, Texas 79701 Attn: Mr. Vernon Dyer	SW/4 NE/4	40.00/40.00	12.525050%
<i>Page not checked</i> Texaco Producing, Inc. P. O. Box 2100 Denver, Colorado 80201 Attn: Mr. Gary Cox	Lot 1 and SE/4 NE/4	79.96/79.96	25.037575%
TOTAL:		319.36/319.36	100.000000%

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
ENRON	EXHIBIT NO. <u>2</u>
CASE NO.	<u>9907</u>

COMMUNICATIONS LOG  
Malaga "1" Fed Com #1  
Section 1, T-24-S, R-28-E  
Eddy County, New Mexico

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
ENRON	EXHIBIT NO. 3
CASE NO.	9907

EXXON:

- 3-16-90 Hand delivered Letter to Exxon requesting farmout or join (AFE Enclosed) in proposed 12,100' Atoka Well in NE/4 NW/4 Sec. 1.
- 3-21-90 9:00 A.M. telephone conversation with Joe Thomas (683-0236). Exxon wants to look at our data.
- 10:00 A.M. telephone conversation with Joe Thomas. EOG will show interpretation, but not log on well in Sec. 2-24-28, if Exxon will agree to farmout or join on pre-agreed terms.  
(Joe said he will get back with-me next week)
- 3-27-90 Exxon (Joe Thomas) called. Wants to see Log on Malaga #2. Informed him that EOG can not show Log due to agreement with Partners in Malaga #2 well to keep log confidential.
- 4-20-90 Faxed copy of March 16 Letter and AFE to Beth Frantes with Exxon. She called about rescheduled hearing and couldn't find info as Joe Thomas is on vacation.
- 4-30-90 Told Joe Thomas via telephone that hearing will be continued on May 16th due to unorthodox location.
- 5-3-90 Showed Interpretation (minus Sec. 2 well data) to Exxon. Exxon has 15 days to join or farmout on pre-agreed terms (Deliver EOG 75% NRI, proportionately reduced, with no back-in).

TEXACO:

- 3-16-90 Express Mail Letter to Texaco requesting farmout or join (AFE enclosed) in proposed 12,100' Atoka well in NE/4 NW/4 Sec. 1.
- 4-2-90 Returned David Sleeper's (Texaco) call (303-793-4512) of same day. Left message & my phone number on phone mail.  
David Sleeper called, wanted to know why we are Force Pooling. I told him to prevent people from dragging their feet. I told him EOG will work with Texaco if Texaco is willing to trade (ie farmout or join).
- 4-16-90 Telephone conversation with David Sleeper. Texaco still wants log, and acknowledges receipt of continuance of hearing to May 16, 1990.
- 4-19-90 Telephone conversation with David Sleeper. EOG offered to show interpretation of Sec. 1, but not log, nor any information concerning Section 2 well, if Texaco will agree to join or farmout on pre-agreed terms.
- 4-30-90 Telephone conversation with David Sleeper. EOG informed Texaco that hearing will be continued on May 16th due to unorthodox location.
- 5-8-90 Talked with Sleeper. No change in Texaco's position. He indicated that Texaco must have log to make decision to farmout or join.
- 5-14-90 Telephone conversation with David Sleeper. Texaco has not changed it position and will subpoena log. Told David EOG will move to Quash.



SANTA FE:

- 3-16-90 Hand delivered Letter to Santa Fe requesting farmout or join (AFE enclosed) in proposed 12,100' Atoka well in NE/4 NW/4 Sec. 1.
- 4-6-90 Received letter from Santa Fe agreeing to join or farmout if we show them our data.
- 4-19-90 Told Vernon Dyer via telephone that EOG will show interpretation of Sec. 1, but not log nor any information concerning Sec. 2 well, if Santa Fe would agree to join or farmout on pre-agreed terms.
- 4-30-90 Told Vernon Dyer via telephone that hearing will be continued on May 16th due to unorthodox location.
- 4-30-90 Received Letter from Santa Fe whereby Santa Fe notifies EOG of its agreement to join in the drilling of the proposed Sec. 1 well.

# ENRON

## Oil & Gas Company

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

HAND DELIVERED

March 16, 1990

Santa Fe Energy Operating Partners, L.P.  
(Santa Fe Energy Company)  
500 W. Illinois, Suite 500  
Midland, Texas 79701  
Attn: Mr. Vernon D. Dyer

Re: Malaga "1" Fed Com #1  
SW/4 NE/4 Section 1, 24S, 28E  
Eddy County, New Mexico  
Enron's Malaga, N. Prospect

Gentlemen:

Pursuant to my conversation with Santa Fe's Mr. Pat Tower on the morning of March 15, 1990, Enron Oil & Gas Company would like to confirm our request for a farmout from Santa Fe covering the captioned lands on the following basis:

1. Enron will commence a well to test the Atoka formation at an approximate depth of 12,100' at a legal location in the NE/4 of NW/4 of Section 1, T24S, R28E, Eddy County, New Mexico within 120 days of the execution of a mutually acceptable formal farmout agreement.
2. Upon Enron's completion of a producing well, Santa Fe will assign all of its interest under the proration unit (N/2 Section 1) to Enron, reserving a 1/16th of 8/8ths overriding royalty interest, but in no event delivering less than a 75% NRI lease to Enron, with Santa Fe reserving the option at payout to convert said overriding royalty interest to a 25% WI upon payout of said well, all proportionately reduced.
3. Enron's only penalty for failure to timely commence the above test well for above shall be the termination of the farmout agreement.

If you find these terms satisfactory, please sign and return one copy of this letter to the undersigned at your earliest possible convenience. Should Santa Fe be interested in participating in the proposed well rather than granting Enron a farmout, we have enclosed herein for your review and approval a copy of Enron's AFE for the above well.

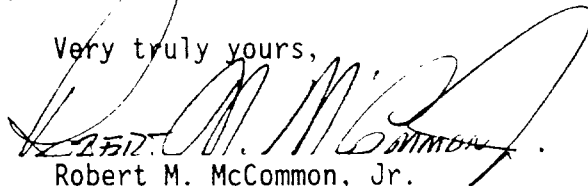
Part of the Enron Group of Energy Companies

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
ENRON	EXHIBIT NO. 4
CASE NO.	9907

Page Two  
Santa Fe Energy Operating Partners, L.P.  
March 16, 1990

Your earliest response to our proposal will be greatly appreciated. Should you have any questions or like to discuss the proposed farmout, please contact me at telephone number (915) 686-3730.

Very truly yours,

A handwritten signature in dark ink, appearing to read "R. M. McCommon, Jr.", is written over the typed name.

Robert M. McCommon, Jr.  
Project Landman

AGREED TO AND ACCEPTED THIS \_\_\_\_\_  
DAY OF \_\_\_\_\_, 1990.

SANTA FE ENERGY OPERATING PARTNERS, L.P.

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ENRON  
Oil & Gas Company

Drilling AFE

AFE No.	
Enron W. I.	50%
Enron AFE Amt (DHC)	\$315,250
(CWC)	\$441,900
Division/District	Midland
AFE Date	3/16/90

Category

☐ Wildcat  
☒ Development  
☐ Injection

Type

☒ Drilling  
☒ Completion  
☐ Re-Entry

Lease & Well No.	Malaga #1 Federal Com. No. 1	Depth & Formation	12,100' Atoka	Water Depth
Location	NE/4 of NW/4 Section 1-24S-28E			
County & State	Eddy County, New Mexico	Field	Malaga (Atoka)	
Operator	ENRON OIL & GAS COMPANY	Anticipated Spud Date	4/25/90	
Description of Work				

Intangible Well Cost (Dollars)				
Code	Description	Drilling	Completion	Total
5501	Access, Location & Roads	\$25,000	\$5,000	\$30,000
5502	Rig Move	30,000		30,000
5503	Footage Cost			
5504	Day Work Cost Drlg 35 days compl 9 days @ \$4,300	150,500		150,500
5505	Bits, Reamers & Stabilizers	45,000		45,000
5506	Fuel			
5507	Water	7,000	2,000	9,000
5508	Mud & Chemicals	25,000	3,000	28,000
5509	Cementing & Service	30,000	10,000	40,000
5510	Coring			
5511	OH Logging & Testing	25,000		25,000
5512	Mud Logging 30 days @ \$350.00	10,500		10,500
5513	Perforating		5,000	5,000
5514	Stimulation		20,000	20,000
5515	Transportation	10,000	6,000	16,000
5516	Drilling Overhead	6,600	1,700	8,300
5517	Equipment Rental	20,000	2,000	22,000
5518	Completion Rig 9 days @ \$4,300		38,700	38,700
5519	Other Drilling Expense	20,000		20,000
5522	Directional Drilling			
5523	Equipment Usage			
5524	Supervision Drlg - 35 days @ \$400 - Compl 9 days @ \$400	14,000	3,600	17,600
	Total Intangibles	\$418,600	\$97,000	\$515,600

Tangible Well Cost (Dollars)				
Code	Description	Drilling	Completion	Total
5101	40 'Of 20 " Conductor Casing	\$1,000		\$1,000
5102	600 'Of 13-3/8 " Surface Casing 21.61	13,000		13,000
5103	2,500 'Of 9-5/8 " Intermediate Casing 16.50	41,300		41,300
5103	10,500 'Of 7 " Intermediate Casing 13.61	141,600		141,600
5103	2,000 'Of 4-1/2 " Liner 13.17		26,300	26,300
5105	10,200 'Of 2-7/8 " Tubing 5.10		52,000	52,000
5105	'Of " Tubing			
5106	Well Head Equipment and Tree	15,000	10,000	25,000
5107	Tanks		2,500	2,500
	(Continued on back of AFE)			

Enron Approval					
Division					
By	Date	By	Date	By	Date
Mike Spears	3/16/90	Ray Ingle	3/16/90		
By	Date	By	Date	By	Date
John Frick	3/16/90				
Joint Operator Approval					
Firm	By		Title		Date



Tangible Well Cost (continued)				
Code	Description	Drilling	Completion	Total
5108	Flow Lines		\$3,000	\$3,000
5109	Valves & Fittings		6,000	6,000
5110	Rods			
5111	Pumping Equipment - Surface			
5112	Production Equipment - Subsurface		12,500	12,500
5113	Engines & Motors			
5114	Heater-Treater & Separators		12,500	12,500
5115	Other Equipment			
5116	Buildings			
5117	Metering Equipment		2,000	2,000
5118	Non-Controllable Equipment		2,000	2,000
5119	Liner Equipment		12,500	12,500
5120	Mudline Suspension Equipment			
5121	Construction Cost		15,000	15,000
5123	Drive Pipe			
	Total Tangibles	\$211,900	\$156,300	\$368,200
	Total Well Cost	\$630,500	\$253,300	\$883,800

**ENRON**  
**OIL & GAS COMPANY**

**TELECOPY  
TRANSMITTAL**

(Formerly HNG Oil Company)

(Formerly BelNorth Petroleum Corp.)

DATE: 3-16-90 TIME: 3:46 A.M. P.M.

TO: GARY COX

TELECOPY NO.: 303-793-4228 NO. PAGES (THIS INCLUDED) 5

FROM: ROBERT McCommon

COMMENTS: Attached is F/O REQUEST - WELL PROPOSAL  
FOR YOUR CONSIDERATION - SECTION 1,  
24-S, 28E, Fuddy Co. NEW MEXICO

ROUTINE ✓ URGENT       

**ENRON OIL & GAS COMPANY**

Midland Division

Empire Plaza, Suite 1100  
508 W. Wall  
Midland, Texas 79701

Mailing Address  
P.O. Box 2267  
Midland, Texas 79702

Main No. (915) 686-3600  
Telecopy No. (915) 683-7573

# ENRON

## Oil & Gas Company

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

FAX #303-793-4228  
EXPRESS MAIL

March 15, 1990

Texaco Inc.  
P. O. Box 2100  
Denver, Colorado 80201  
Attn: Mr. Gary Cox

Re: Malaga "1" Fed Com #1  
E/2 NE/4 Section 1, 24S, 28E  
Eddy County, New Mexico  
Enron's Malaga, N. Prospect

Gentlemen:

Pursuant to my conversation with Texaco's Mr. David Sleeper, Enron Oil & Gas Company would like to request a farmout from Texaco Inc. covering the captioned lands on the following basis:

1. Enron will commence a well to test the Atoka formation at an approximate depth of 12,100' at a legal location in the NE/4 of NW/4 of Section 1, T24S, R28E, Eddy County, New Mexico within 120 days of the execution of a mutually acceptable formal farmout agreement.
2. Upon Enron's completion of a producing well, Texaco will assign all of its interest under the proration unit (N/2 Section 1) to Enron, reserving a 1/16th of 8/8ths overriding royalty interest, but in no event delivering less than a 75% NRI lease to Enron, with Texaco reserving the option at payout to convert said overriding royalty interest to a 25% WI upon payout of said well, all proportionately reduced.
3. Enron's only penalty for failure to timely commence the above test well for above shall be the termination of the farmout agreement.

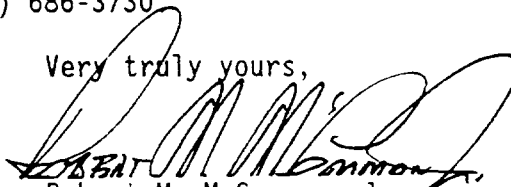
If you find these terms satisfactory, please sign and return one copy of this letter to the undersigned at your earliest possible convenience.

Should Texaco be interested in participating in the proposed well as opposed to granting Enron a farmout, we have enclosed herein for your review and approval a copy of Enron's AFE for the above well.

Page Two  
Texaco Inc.  
March 16, 1990

Your earliest response to our proposal will be greatly appreciated. Should you have any questions or like to discuss the proposed farmout, please contact me at telephone number (915) 686-3730

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert M. McCommon, Jr.", written over a horizontal line.

Robert M. McCommon, Jr.  
Project Landman

AGREED TO AND ACCEPTED THIS \_\_\_\_\_  
DAY OF \_\_\_\_\_, 1990.

TEXACO INC

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# ENRON Oil & Gas Company

## Drilling AFE

AFE No.	
Enron W. I.	50%
Enron AFE Amt (DHC)	\$315,250
(CWC)	\$441,900
Division/District	Midland
AFE Date	3/16/90

### Category

☐ Wildcat  
☒ Development  
☐ Injection

### Type

☒ Drilling  
☒ Completion  
☐ Re-Entry

Lease & Well No.	Malaga #1 Federal Com. No. 1	Depth & Formation	12,100' Atoka	Water Depth
Location	NE/4 of NW/4 Section 1-24S-28E			
County & State	Eddy County, New Mexico	Field	Malaga (Atoka)	
Operator	ENRON OIL & GAS COMPANY	Anticipated Spud Date	4/25/90	

Description of Work

Intangible Well Cost (Dollars)				
Code	Description	Drilling	Completion	Total
5501	Access, Location & Roads	\$25,000	\$5,000	\$30,000
5502	Rig Move	30,000		30,000
5503	Footage Cost			
5504	Day Work Cost Drlg 35 days compl 9 days @ \$4,300	150,500		150,500
5505	Bits, Reamers & Stabilizers	45,000		45,000
5506	Fuel			
5507	Water	7,000	2,000	9,000
5508	Mud & Chemicals	25,000	3,000	28,000
5509	Cementing & Service	30,000	10,000	40,000
5510	Coring			
5511	OH Logging & Testing	25,000		25,000
5512	Mud Logging 30 days @ \$350.00	10,500		10,500
5513	Perforating		5,000	5,000
5514	Stimulation		20,000	20,000
5515	Transportation	10,000	6,000	16,000
5516	Drilling Overhead	6,600	1,700	8,300
5517	Equipment Rental	20,000	2,000	22,000
5518	Completion Rig 9 days @ \$4,300		38,700	38,700
5519	Other Drilling Expense	20,000		20,000
5522	Directional Drilling			
5523	Equipment Usage			
5524	Supervision Drlg - 35 days @ \$400 - Compl 9 days @ \$400	14,000	3,600	17,600
	Total Intangibles	\$418,600	\$97,000	\$515,600

Tangible Well Cost (Dollars)				
Code	Description	Drilling	Completion	Total
5101	40 'Of 20 "Conductor Casing	\$1,000		\$1,000
5102	600 'Of 13-3/8 "Surface Casing 21.61	13,000		13,000
5103	2,500 'Of 9-5/8 "Intermediate Casing 16.50	41,300		41,300
5103	10,500 'Of 7 "Intermediate Casing 13.61	141,600		141,600
5103	2,000 'Of 4-1/2 "Liner 13.17		26,300	26,300
5105	10,200 'Of 2-7/8 "Tubing 5.10		52,000	52,000
5105	'Of "Tubing			
5106	Well Head Equipment and Tree	15,000	10,000	25,000
5107	Tanks		2,500	2,500
	(Continued on back of AFE)			

Enron Approval					
Division					
By Mike Spears	Date 3/16/90	By Ray Ingle <i>RZ</i>	Date 3/16/90	By	Date
By John Frick	Date 3/16/90	By	Date	By	Date
Joint Operator Approval					
Firm	By	Title	Date		

Tangible Well Cost (continued)			
Code	Description	Drilling	Completion
5108	Flow Lines		\$3,000
5109	Valves & Fittings		6,000
5110	Rods		
5111	Pumping Equipment - Surface		
5112	Production Equipment - Subsurface		12,500
5113	Engines & Motors		
5114	Heater-Treater & Separators		12,500
5115	Other Equipment		
5116	Buildings		
5117	Metering Equipment		2,000
5118	Non-Controllable Equipment		2,000
5119	Liner Equipment		12,500
5120	Mudline Suspension Equipment		
5121	Construction Cost		15,000
5123	Drive Pipe		
	Total Tangibles	\$211,900	\$156,300
	Total Well Cost	\$630,500	\$253,300

# ENRON

## Oil & Gas Company

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

HAND DELIVERED

March 16, 1990

Exxon Company USA  
P. O. Box 1600  
Midland, Texas 79701  
Attn: Mr. Joe B. Thomas

Re: AB-90-0017-P SE/4 NW/4 of  
Section 1, 24S, 28E  
Eddy County, New Mexico  
Enron's Malaga, N. Prospect

Gentlemen:

Pursuant to our conversation this date, this is a follow-up to a request originally submitted to Exxon by Read & Stevens, Inc., on January 22, 1990. Whereas Enron Oil & Gas Company is now Operator of certain properties jointly owned by Enron and Read & Stevens, Inc., Enron Oil & Gas Company hereby reconfirms its request for a farmout from Exxon covering the captioned lands on the following basis:

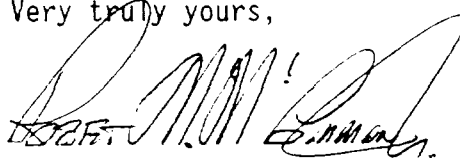
1. Enron will commence a well to test the Atoka formation at an approximate depth of 12,100' at a legal location in the NE/4 of NW/4 of Section 1, T24S, R28E, Eddy County, New Mexico within 120 days of the execution of a mutually acceptable formal farmout agreement.
2. Upon Enron's completion of a producing well, Exxon will assign all of its interest under the proration unit (N/2 Section 1) to Enron, reserving a 1/16th of 8/8ths overriding royalty interest, but in no event delivering less than a 75% NRI lease to Enron, with Exxon reserving the option at payout to convert said overriding royalty interest to a 25% WI in said well, all proportionately reduced.
3. Enron's only penalty for failure to timely commence the above test well shall be the termination of the farmout agreement.

If you find these terms satisfactory, please sign and return one copy of this letter to the undersigned at your earliest possible convenience. Should Exxon be interested in participating in the proposed well as opposed to granting Enron a farmout, we have enclosed herein for your review and approval a copy of Enron's AFE for the above well.

Page Two  
Exxon Company USA  
March 16, 1990

Your earliest response to this follow-up proposal will be greatly appreciated. Should you have any questions or like to discuss the proposed farmout, please contact me at telephone number 686-3730.

Very truly yours,

A handwritten signature in dark ink, appearing to read "R. M. McCommon, Jr.", written over a horizontal line.

Robert M. McCommon, Jr.  
Project Landman

AGREED TO AND ACCEPTED THIS \_\_\_\_\_  
DAY OF \_\_\_\_\_, 1990.

EXXON COMPANY USA

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**ENRON**  
Oil & Gas Company

**Drilling AFE**

AFE No.	
Enron W. I.	50%
Enron AFE Amt (DHC)	\$315,250
(CWC)	\$441,900
Division/District	Midland
AFE Date	3/16/90

**Category**

Wildcat  
☒ Development  
 Injection

**Type**

☒ Drilling  
☒ Completion  
 Re-Entry

Lease & Well No.	Malaga #1 Federal Com. No. 1	Depth & Formation	12,100' Atoka	Water Depth
Location	NE/4 of NW/4 Section 1-24S-28E			
County & State	Eddy County, New Mexico	Field	Malaga (Atoka)	
Operator	ENRON OIL & GAS COMPANY	Anticipated Spud Date	4/25/90	
Description of Work				

Intangible Well Cost (Dollars)				
Code	Description	Drilling	Completion	Total
5501	Access, Location & Roads	\$25,000	\$5,000	\$30,000
5502	Rig Move	30,000		30,000
5503	Footage Cost			
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5509	Cementing & Service	30,000	10,000	40,000
5510	Coring			
5511	OH Logging & Testing	25,000		25,000
5512	Mud Logging 30 days @ \$350.00	10,500		10,500
5513	Perforating		5,000	5,000
5514	Stimulation		20,000	20,000
5515	Transportation	10,000	6,000	16,000
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5522	Directional Drilling			
5523	Equipment Usage			
5524	Supervision Drlg - 35 days @ \$400 - Compl 9 days @ \$400	14,000	3,600	17,600
	Total Intangibles	\$418,600	\$97,000	\$515,600

Tangible Well Cost (Dollars)				
Code	Description	Drilling	Completion	Total
5101	40 'Of 20 "Conductor Casing	\$1,000		\$1,000
5102	600 'Of 13-3/8 "Surface Casing 21.61	13,000		13,000
5103	2,500 'Of 9-5/8 "Intermediate Casing 16.50	41,300		41,300
5103	10,500 'Of 7 "Intermediate Casing 13.61	141,600		141,600
5103	2,000 'Of 4-1/2 "Liner 13.17		26,300	26,300
5105	10,200 'Of 2-7/8 "Tubing 5.10		52,000	52,000
5105	'Of "Tubing			
5106	Well Head Equipment and Tree	15,000	10,000	25,000
5107	Tanks		2,500	2,500
	(Continued on back of AFE)			

Enron Approval					
Division					
By	Date	By	Date	By	Date
Mike Spears	3/16/90	Ray Ingle <i>R II</i>	3/16/90		
By	Date	By	Date	By	Date
John Frick	3/16/90				
Joint Operator Approval					
Firm	By		Title		Date

Tangible Well Cost (continued)			
Code	Description	Drilling	Completion
5108	Flow Lines		\$3,000
5109	Valves & Fittings		6,000
5110	Rods		
5111	Pumping Equipment - Surface		
5112	Production Equipment - Subsurface		12,500
5113	Engines & Motors		
5114	Heater-Treater & Separators		12,500
5115	Other Equipment		
5116	Buildings		
5117	Metering Equipment		2,000
5118	Non-Controllable Equipment		2,000
5119	Liner Equipment		12,500
5120	Mudline Suspension Equipment		
5121	Construction Cost		15,000
5123	Drive Pipe		
	Total Tangibles	\$211,900	\$156,300
	Total Well Cost	\$630,500	\$253,300

# ENRON

## Oil & Gas Company

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

April 20, 1990

Quinoco Petroleum, Inc.  
Stanford Place 3  
4582 S. Ulster St. Parkway, Suite 1700  
Denver, Colorado 80237

Attn: Ms. Kathleen Volk

Re: Unorthodox Location  
Malaga 1 Fed Com #1  
12,100' Atoka Test  
660' FNL & 1680' FWL  
Sec. 1, 24S, 28E, NMPM  
Eddy County, New Mexico

Gentlemen:

Pursuant to the verbal advisement, please accept this letter as Enron Oil & Gas Company's written request for a waiver of objection to the unorthodox location for the referenced Test Well. This location is being moved to the west of the legal location to avoid the Pecos River.

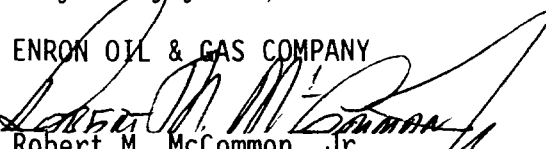
According to our records, Quinoco is the Operator of Section 35, T23S, R28E, offsetting this unorthodox location to the northwest. In this regard, a copy of Enron's application to the New Mexico Oil Conservation Division ("NMOCD") for Compulsory Pooling (which is not applicable to Quinoco) and Unorthodox Location (Case No. 9907) has previously been forwarded to your company.

Should Quinoco have no objection to this unorthodox location, it is requested that you execute two (2) copies of this letter, with one to be forwarded to the NMOCD at P. O. Box 2088, Santa Fe, New Mexico 87504-2088 and the other to be returned to the undersigned.


Your timely response to this request is appreciated.

Very truly yours,

ENRON OIL & GAS COMPANY

  
Robert M. McCommon, Jr.  
Project Landman

QUINOCO PETROLEUM, INC. hereby waives any objection to Enron Oil & Gas Company's unorthodox location of 660' FNL & 1680' FWL, Section 1, T24S, R28E, NMPM for the drilling of a 12,100' Atoka Well.

BY:   
Title: District Manager  
Date: 4/23/90

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION
ENRON EXHIBIT NO. <u>5</u>
CASE NO. <u>9907</u>

# **ENRON**

## **Oil & Gas Company**

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

April 30, 1990

Exxon Company, USA  
P. O. Box 1600  
Midland, Texas 79701  
Attn: Joe B. Thomas

RE: SC#12-95  
Malaga 1 Fed Com #1  
12,200' Atoka, 1680' FWL, 660' FNL  
N/2 Section 1, T24S, R28E  
Eddy County, New Mexico

Gentlemen:

As a follow-up to our recent conversation, this is to confirm our verbal agreement whereby Exxon Company U.S.A. ("Exxon") will agree to join or farmout to Enron Oil & Gas Company ("EOG") for the drilling of the referenced well subject to the following terms and conditions:

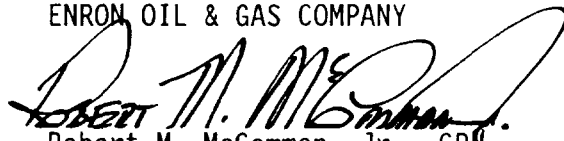
1. EOG agrees to present Exxon its geological interpretation as planned to be presented at the upcoming Force Pooling and Unorthodox Location hearing Case #9907 set for May 16, 1990 before the NMOCD. This presentation does not include the review of the Enron's well logs covering Section 2, T24S, R28E, Eddy County, New Mexico.
2. In consideration of the above, Exxon agrees to commit its interest in the N/2 of Section 1 to the drilling of the referenced well and shall, within fifteen (15) days from the presentation in 1. above, elect to either join in the drilling of said well under a mutually acceptable J.O.A or farmout its interest to EOG under a mutually acceptable Farmout Agreement:
3. Should Exxon elect the farmout option, general terms shall be as follows:
  - A. On or before ninety (90) days from execution of a mutually acceptable farmout agreement, EOG to commence operations for the drilling of a well located in the N/2 of Section 1 and shall drill same to a depth of 12,200' or to a depth sufficient to test the Atoka Formation, whichever is the lesser.

- B. Should EOG complete the above well as a well capable of producing oil and/or gas in producing quantities, then Enron shall have earned and Exxon shall assign unto EOG 100% of Exxon's leasehold interest in the proration unit for said well, limited from the surface down to 100 feet below the deepest producing perforation.
- C. The Assignment in 2. above shall reserve unto Exxon an overriding royalty interest equal to the difference between existing royalty burdens and 25%, all proportionately reduced to the proration unit. However, recognizing the sliding scale royalty provision contained in Exxon's lease, in no event shall Exxon's overriding royalty interest be less than 1%, proportionately reduced to the proration unit.
4. Upon execution of the formal contract (JOA or farmout), EOG agrees to dismiss Exxon from the force pooling. In this regard, EOG will advise the NMOCD of Exxon's agreement subject only to the formal Contract execution.

If the above correctly sets forth your understanding of this trade, please so indicate by signing and returning one copy of this letter to the undersigned.

Sincerely,

ENRON OIL & GAS COMPANY

  
Robert M. McCommon, Jr., CPE  
Project Landman

RMM/cl

AGREED TO and ACCEPTED:

EXXON COMPANY, USA

By: 

Title: 

Date: 

# Santa Fe Energy Operating Partners, L.P.

HA' CARRIED & TELECOPIED

Santa Fe Pacific Exploration Company  
Managing General Partner

April 30, 1990

Enron Oil & Gas Company  
P.O. Box 2267  
Midland, Texas 79702

ATTN: Robert M. McCommon, Jr.

Re: OD-NM-617,341 (O/A)  
Malaga #1 Fed Com #1  
Sec. 1: N/2, T-24-S, R-28-E,  
Eddy County, New Mexico  
Enron's Malaga North Prospect

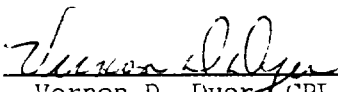
Gentlemen:

This is to advise you that Santa Fe Energy Operating Partners, L.P. does hereby agree to join with our 12.5% WI in the above referenced well. We are processing the Drilling AFE furnished to us by your office and will forward it to your office for further handling, once it has been executed. The well proposed under the AFE is a 12,100' Atoka Well with the actual location to be in the NE/4NW/4 of Section 1.

Please prepare and forward an Operating Agreement to this office for execution. Should you have any further questions, please feel free to contact me.

Yours very truly,

SANTA FE ENERGY OPERATING PARTNERS, L.P.  
By: Santa Fe Pacific Exploration Company,  
Managing General Partner

By:   
Vernon D. Dyer, CPL #3174  
District Landman

VDD/efw

cc: Lou Shuflin - Prod. Mgr.  
(SFEOP, L.P.)

William F. Carr  
(Campbell & Black, P.A. - Legal Firm)

Brett Taylor  
(Fortson Oil Company - Ft. Worth)

Jim Bruce - Albuquerque Office  
(Hinkle, Cox Legal Firm)

EFW1060

Permian Basin District  
500 W. Illinois  
Suite 500  
Midland, Texas 79701  
915/687-3551





**UTI  
ENERGY  
CORP.**

500 North Loraine, Suite 1070  
Midland, Texas 79701  
(915) 683-1616

RICHARD K. BARR, Geologist  
SCOTT E. WILSON, Landman

May 14, 1990

Enron Oil & Gas Company  
P. O. Box 2267  
Midland, Texas 79702

Attention: Robert McCommon, Jr.  
Project Landman

Re: Proposed Malaga "1" Fed. Com. No. 1  
660' fNL and 1980' fWL of Section 1  
T-24-S, R-28-E, Eddy County, New Mexico

Gentlemen:

UTI Energy Corp., Richard K. Barr and Scott E. Wilson hereby support Enron Oil & Gas Company's application (NMOC Case No. 9907) to pool a standard 319.36-acre proration unit comprised of the N $\frac{1}{4}$  of Section 1, T-24-S, R-28-E, Eddy County, New Mexico for the drilling of an Atoka test to an approximate depth of 12,100' and at an unorthodox location in the NW $\frac{1}{4}$  of said Section 1.

Sincerely,

UTI Energy Corp.

By: Eddie L. Nowell  
Eddie L. Nowell, Vice President

Richard K. Barr  
Richard K. Barr

Scott E. Wilson  
Scott E. Wilson

UNITED BANK PLAZA  
400 N. PENN. SUITE 1000

CHARLES B. READ  
PRESIDENT

PHONE 505 622-3770  
FAX: 505 622-8643

*Read & Stevens, Inc.*

*Oil Producers*

*P. O. Box 1518*

*Roswell, New Mexico 88202*

May 14, 1990

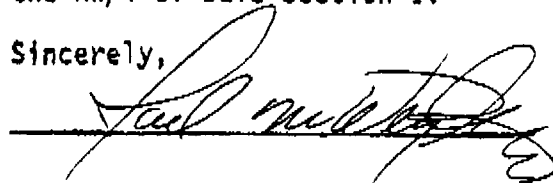
Enron Oil & Gas Company  
P. O. Box 2267  
Midland, Texas 79702  
Attn: Robert McCommon, Jr.  
Project Landman

RE: Proposed Malaga "1" Fed Com No. 1  
660' FNL and 1980' FWL of Section 1  
T-24-S, R-28-E, Eddy County, New Mexico

Gentlemen:

Read & Stevens, Inc. hereby supports Enron Oil & Gas Company's application (NMOCD Case No. 9907) to pool a standard 320 acre proration unit comprised of the N/2 of Section 1, T-24-S, R-28-E, Eddy County, New Mexico for the drilling of an Atoka test to an approximate depth of 12,100' and at an unorthodox location in the NW/4 of said Section 1.

Sincerely,



Name: Joel M. Wigley

Title: Land Manager

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  
FOR COMPULSORY POOLING AND AN  
UNORTHODOX LOCATION,  
EDDY COUNTY, NEW MEXICO.

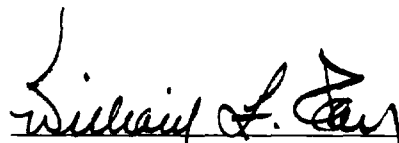
CASE NO. 9907

AFFIDAVIT

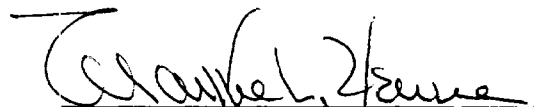
STATE OF NEW MEXICO     )  
  )ss.  
COUNTY OF SANTA FE     )

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
ENRON	EXHIBIT NO. 6
CASE NO. 9907	

WILLIAM F. CARR, attorney in fact and authorized representative of Enron Oil & Gas Company, the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice as shown by Exhibit "A" attached hereto, and that pursuant to Rule 1207, notice has been given at the correct addresses provided by such rule.

  
WILLIAM F. CARR

SUBSCRIBED AND SWORN to before me this 14th day of May, 1990.

  
Notary Public

My Commission Expires:

August 19, 1991

**EXHIBIT A**

Texaco Inc.  
Post Office Box 2100  
Denver, Colorado 80201  
Attn: Gary Cox

Phillips Petroleum Company  
4001 Penbrook  
Odessa, Texas 79762  
Attn: Frank Hulse

Quinoco Petroleum Inc.  
Post Office Box 378111  
Denver, Colorado 80237  
Attn: Kathleen Volk

Santa Fe Energy Company  
500 West Illinois, Suite 500  
Midland, Texas 79701  
Attn: Vernon D. Dyer

Exxon Company, U.S.A.  
Post Office Box 1600  
Midland, Texas 79702  
Attn: Joe B. Thomas

Read & Stevens, Inc.  
400 North Pennsylvania  
Suite 1000  
Roswell, New Mexico 88201  
Attn: Joe Wigley

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
WILLIAM P. SLATTERY  
PATRICIA A. MATTHEWS

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

April 10, 1990

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Texaco Inc.  
Post Office Box 2100  
Denver, Colorado 80201  
Attn: Gary Cox

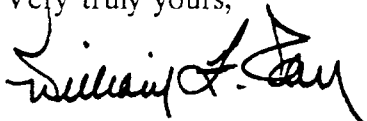
Re: Application of Enron Oil & Gas Company for Compulsory Pooling and an  
Unorthodox Location, Eddy County, New Mexico

Gentlemen:

This letter is to advise you that Enron Oil & Gas Company has filed an application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests to the base of the Atoka formation for any and all formations and/or pools developed on 320-acre spacing, in and under the N/2 of Section 1, for any and all formations developed on 160-acre spacing under the NW/4 of Section 1, for any and all formations developed on 80-acre spacing under the E/2 NW/4 of Section 1, and for any and all formations developed on 40-acre spacing under the NE/4 NW/4 of Section 1 in Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Enron Oil & Gas Company proposes to dedicate the referenced pooled unit to a well to be located at an unorthodox location 660 feet from the North line and 1680 feet from the West line of Section 1.

This application has been set for hearing before a Division Examiner on May 2, 1990. You are not required to attend this hearing, but as an owner of an interest that may be subject to pooling, or otherwise 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.

Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR ENRON OIL & GAS COMPANY  
WFC:mlh

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent the card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.  
 1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: <i>Jefaco, Inc. PO Box 2100 Denver, CO 80201</i>		4. Article Number <i>P 106 678 068</i>	
5. Signature - Address <i>[Signature]</i>		Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and <b>DATE DELIVERED.</b>	
6. Signature - Agent <i>[Signature]</i>		8. Addressee's Address (ONLY if requested and fee paid)	
7. Date of Delivery <i>4/12/90</i>			

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 678 068

U.S. POSTAL SERVICE MAIL

First Class

Postage and Fees

<i>Jefaco, Inc.</i>	
<i>PO Box 2100</i>	
<i>Denver, CO 80201</i>	
Postage	
Postnet Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom and Address of Delivery	
Postage and Fees	
Postmark or Date <b>APR 10 1990</b>	

CAMPBELL & BLACK. P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
WILLIAM P. SLATTERY  
PATRICIA A. MATTHEWS

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

April 10, 1990

**CERTIFIED MAIL**  
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Phillips Petroleum Company  
4001 Penbrook  
Odessa, Texas 79762  
Attn: Frank Hulse

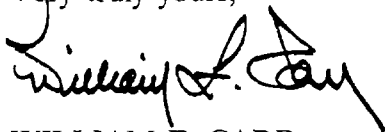
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Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR ENRON OIL & GAS COMPANY  
WFC:mlh



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Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent the card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: <i>Phillips Petroleum Co. 4001 Fenderbrook Odessa, Texas 79762</i>	4. Article Number <i>P 106 678 072</i>
5. Signature - Address <i>X</i>	Type of Service: <input checked="" type="checkbox"/> Registered <input type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise
6. Signature of Agent <i>X [Signature]</i>	Always obtain signature of addressee or agent and DATE DELIVERED.
7. Date of Delivery <i>ok 2600 4/11</i>	8. Addressee's Address (ONLY if requested and fee paid) <i>Same</i>

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-885 DOMESTIC RETURN RECEIPT

P-106 678 072

*Phillips Petroleum Co.  
4001 Fenderbrook  
Odessa, Texas 79762*

Postage

Postmark or Date  
**APR 10 1990**

CAMPBELL & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
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POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

April 10, 1990

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Quinoco Petroleum Inc.  
Post Office Box 378111  
Denver, Colorado 80237  
Attn: Kathleen Volk

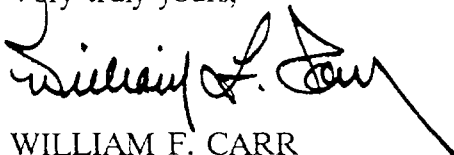
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Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR ENRON OIL & GAS COMPANY  
WFC:mlh

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 1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: <i>Quinco Petroleum Inc</i> <i>PO Box 378111</i> <i>Denver CO 80237</i>		4. Article Number <i>P 106 678 071</i>	
5. Signature - Addressee <i>Paul J. Talcott</i>		Type of Service: <input checked="" type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Express Mail	
6. Signature - Agent <i>X</i>		Always obtain signature of addressee or agent and DATE DELIVERED.	
7. Date of Delivery <i>4-16</i>		8. Addressee's Address (ONLY if requested and fee paid)	

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 678 071

FOR OFFICIAL MAIL  
 Registered Mail  
 Registered Mail  
 Registered Mail

Quinco Petroleum Inc	
PO Box 378111	
Denver CO 80237	
Postage	
Insured Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt (allowing to whom and date delivered)	
Return Receipt (allowing to whom and address of delivery)	
Total Postage and Fees	
Postmark or Date <b>APR 10 1990</b>	

5861 unperf PS Form 3800

CAMPBELL & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
WILLIAM P. SLATTERY  
PATRICIA A. MATTHEWS

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

April 10, 1990

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Santa Fe Energy Company  
500 West Illinois, Suite 500  
Midland, Texas 79701  
Attn: Vernon D. Dyer

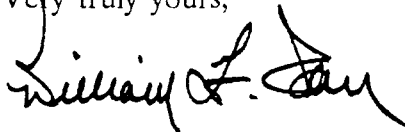
Re: Application of Enron Oil & Gas Company for Compulsory Pooling and an  
Unorthodox Location, Eddy County, New Mexico

Gentlemen:

This letter is to advise you that Enron Oil & Gas Company has filed an application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests to the base of the Atoka formation for any and all formations and/or pools developed on 320-acre spacing, in and under the N/2 of Section 1, for any and all formations developed on 160-acre spacing under the NW/4 of Section 1, for any and all formations developed on 80-acre spacing under the E/2 NW/4 of Section 1, and for any and all formations developed on 40-acre spacing under the NE/4 NW/4 of Section 1 in Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Enron Oil & Gas Company proposes to dedicate the referenced pooled unit to a well to be located at an unorthodox location 660 feet from the North line and 1680 feet from the West line of Section 1.

This application has been set for hearing before a Division Examiner on May 2, 1990. You are not required to attend this hearing, but as an owner of an interest that may be subject to pooling, or otherwise 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.

Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR ENRON OIL & GAS COMPANY  
WFC:mlh

**SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.**  
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for rates and check boxes for additional service(s) requested.  
 1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: *Santa Fe Energy Co.*  
*500 West Illinois #500*  
*Midland, Texas*  
*79701*

4. Article Number: *P 106 678 069*

5. Signature - Address  
☒ X

6. Signature - Agent  
☒ X *Wanda Wade*

7. Date of Delivery  
*4-12-90*

Type of Service:  
☐ Registered- ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

8. Addressee's Address (ONLY if requested and fee paid)  
*Same*

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 678 069

*Santa Fe Energy Co.*  
*500 West Illinois, #500*  
*Midland Texas 79701*

Postage	
Postage Due	
Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom delivered and date of delivery	
Return Receipt showing to whom delivered and address of delivery	
Postage and Fees	

APR 10 1990

CAMPBELL & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
WILLIAM P. SLATTERY  
PATRICIA A. MATTHEWS

JEFFERSON PLACE  
SUITE 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

April 10, 1990

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Exxon Company, U.S.A.  
Post Office Box 1600  
Midland, Texas 79702  
Attn: Joe B. Thomas

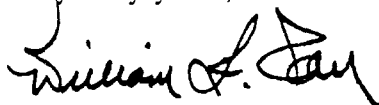
Re: Application of Enron Oil & Gas Company for Compulsory Pooling and an  
Unorthodox Location, Eddy County, New Mexico

Gentlemen:

This letter is to advise you that Enron Oil & Gas Company has filed an application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests to the base of the Atoka formation for any and all formations and/or pools developed on 320-acre spacing, in and under the N/2 of Section 1, for any and all formations developed on 160-acre spacing under the NW/4 of Section 1, for any and all formations developed on 80-acre spacing under the E/2 NW/4 of Section 1, and for any and all formations developed on 40-acre spacing under the NE/4 NW/4 of Section 1 in Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Enron Oil & Gas Company proposes to dedicate the referenced pooled unit to a well to be located at an unorthodox location 660 feet from the North line and 1680 feet from the West line of Section 1.

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Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR ENRON OIL & GAS COMPANY  
WFC:mlh

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☒ Show to whom delivered, date, and addressee's address. *(Extra charge)*

2. ☐ Restricted Delivery *(Extra charge)*

**(Extra charge)**

**(Extra charge)**

☐ Registered ☐ Insured

☐ Express Mail ☐ Return Receipt for Merchandise

**Agent and DATE DELIVERED.**

**8. Addressee's Address (ONLY if requested and fee paid)**

**5. Signature -- Address**  
**X**

6. Signature - Agent  X

### 7. Date of Delivery

APR 16 1990

FD Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-866

**DOMESTIC RETURN RECEIPT**

P-106 678 070

Erffon Co. U.S.A.  
P.O. Box 1600  
Midland Texas 79702

APR 10 1990



CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
WILLIAM P. SLATTERY  
PATRICIA A. MATTHEWS

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

April 10, 1990

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Read & Stevens, Inc.  
400 North Pennsylvania  
Suite 1000  
Roswell, New Mexico 88201  
Attn: Joe Wigley

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

Gentlemen:

This letter is to advise you that Enron Oil & Gas Company has filed an application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests to the base of the Atoka formation for any and all formations and/or pools developed on 320-acre spacing, in and under the N/2 of Section 1, for any and all formations developed on 160-acre spacing under the NW/4 of Section 1, for any and all formations developed on 80-acre spacing under the E/2 NW/4 of Section 1, and for any and all formations developed on 40-acre spacing under the NE/4 NW/4 of Section 1 in Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Enron Oil & Gas Company proposes to dedicate the referenced pooled unit to a well to be located at an unorthodox location 660 feet from the North line and 1680 feet from the West line of Section 1.

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Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR ENRON OIL & GAS COMPANY  
WFC:mlh

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 1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: *Head & Stevens*  
*400 N. Pennsylvania*  
*Roswell, NM 88201*

4. Article Number: *P106 678 067*

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee: *Debbie Mason*

6. Signature - Agent: *X*

7. Date of Delivery: *4/12/90*

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

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 678 067

Post to: *Head & Stevens*  
*400 N. Pennsylvania*  
*Roswell, NM 88201*  
 State and ZIP Code: *NM 88201*

Postage: \$

Certified Fee: \$

Special Delivery Fee: \$

Restricted Delivery Fee: \$

Return Receipt showing to whom sent (date delivered): \$

Return Receipt showing to whom sent (date of delivery): \$

TOTAL Postage and Fees: \$

Postmark or Date: **APR 10 1990**

CULEBRA BLUFF

WILLIAMS

Harroun Sch

HARROUN CROSSING

PECOS

IRRIGATION

CANAL

BEFORE EXAMINER STOGNER  
OIL CONSERVATION DIVISION

ENRON EXHIBIT NO. 7

CASE NO. 9907



