

Operator - Enserch Exploration, Inc.
P.O. Box 4815
Midland, Texas 79704-4815

Lease - Lagrone

Well - No. 1

Location - Sec. 29, T4S, R33E
1980' FNL, 510' FEL
Roosevelt County, New Mexico

Pools to be Commingled - Peterson (Miss) Pool
Undesignated (Penn)

Attached is a copy of Form C-116 showing the amount of oil, water, and gas produced from the Mississippian formation during the Gas-Oil Ratio test.

After production from the Mississippian decline, the decision was made to test the Penn formation. The zone was perforated and swabbed for eight hours. During this time, 3 bbls of oil were recovered. This zone has not been potentialized.

Current Status - Shut-in waiting on permit for commingling

The subject well was perforated from 8010'-8058' (total shots=24) through the Mississippian, and treated with 7200 gallons of MOD-101 acid. A potential test was run on September 1, 1981, recovering 47 BOPD, 160 MCFPD, and 8 BWPD. Currently, the well is producing approximately 8 BOPD. The Penn was perforated from 7973'-7976' (total shots=4) and was acidized with 1500 gallons of 15% MCA.

A bottom hole pressure survey was not run on the subject well. However, pressure build-up tests were run on two offsetting wells, the Collier "A" No. 1 on the Mississippian, and the Taylor No. 1 testing the Penn formation. From these, estimated reservoir pressures are:

Mississippian - 2809 psi
Penn formation - 2783 psi

Fluid Description - Oil recovered (from Mississippian) during the potential test on the subject well indicated a gravity of 43.7⁰ API. The gravity of the oil recovered during swabbing of the Penn formation was not determined. However, Penn formation oil produced in the offset Taylor No. 1 has a gravity of 43.7⁰ API.