

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

PROCESSED IN TRIPPLICATE

(Other Instructions on Reverse Side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 23, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK

DRILL ☒

DEEPEN ☐

2. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

SINGLE ZONE ☒

MULTIPLE ZONE ☐

3. NAME OF OPERATOR

Enron Oil & Gas Company

4. ADDRESS AND TELEPHONE NO.

P. O. Box 2267, Midland, TX 79702 (915) 694-8228

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

1980 FSL & 1650 FWL (Unit K)

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)

1650

16. NO. OF ACRES IN LEASE

320

17. NO. OF ACRES ASSIGNED TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

14000'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3527'

22. APPROX. DATE WORK WILL START*

August 25, 1998

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF ROPE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2	13 3/8 H40 A	ST&C 42#	650	WITNESS 60 CL C to Surface
12 1/4	9 5/8 J55 LT&C	40#	5000	1000 Prem+/250 CL C to Surface
8 3/4	7 P110 LTUC	26#	12700	1000 CL H TOC: 4500'
6 1/8	3 1/2" P105 CSHYD	9.3#	14000	500 CL H TOC: 12300'

CARLSBAD CONTROLLED WATER BASIN

The Undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on leased land or portions thereof as shown below:

Federal Bond # is MT 0748 with endorsement to New Mexico

PROPOSAL NO. 7377
PROPERTY NO. 23736
POOL CODE 79335
EFF. DATE 10-1-98
API NO. 31-025-34512
APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24. SIGNED Linda Johnston TITLE Agent DATE 8/20/98

(This space for Federal or State office use)

ORIGINAL SIGNATURE OF AS WILLIAMS
PERMIT NO. DISTRICT SUPERVISOR

APPROVAL DATE

SEP 29 1998

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

Assistant Field Office Manager,
Lands and Minerals



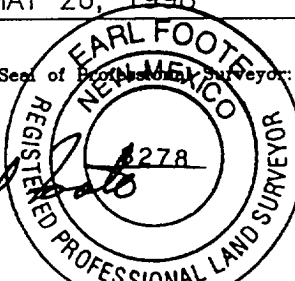
/S/ Earle Smith

APPROVED BY _____ TITLE _____ DATE SEP 29 1998

1000 PM 10/31/51
ROOSEVELT OFFICE

10:51 AM 10/31/51

RECEIVED

16				<p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p></p> <p>Signature _____</p> <p>Printed Name <u>Linda Johnston</u></p> <p>Title <u>Agent</u></p> <p>Date <u>8/20/98</u></p>
<p>1650'</p>	<p>LAT.=32°11'11.99426\"/></p>			<p>18 SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to best of my belief.</i></p> <p>Date of Survey <u>MAY 26, 1998</u></p> <p>Signature and Seal of Professional Surveyor: </p> <p>Certificate Number <u>8278</u></p> 

DRILLING PROGRAM

ENRON OIL & GAS COMPANY
TRISTE DRAW 26 FED. NO. 1
1980' FSL & 1650' FWL
SEC. 26, T24S, R33E
LEA COUNTY, NM

1. GEOLOGIC NAME OF SURFACE FORMATION:
Permian

2. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Delaware	5175'
Bone Spring	9150'
First Bone Spring Sd	9950'
2 nd Bone Spring Sd	10850'
3 rd Bone Spring Sd	11950'
Wolfcamp Marker	12400'
Wolfcamp Pay	13250'
Penn Marker	13800'

3. ESTIMATED DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS:

Upper Permian Sands 100'	Fresh Water
Upper Penn	Gas

4. CASING PROGRAM:

<u>Hole Size</u>	<u>Interval</u>	<u>OD Casing</u>	<u>Weight Grade</u>	<u>Jt. Cond.</u>	<u>Type</u>
17 1/2"	0-650'	13 3/8"	48#	H-40	A ST&C
12 1/4"	0-5000'	9 5/8"	40#	J-55	LT&C
8 3/4"	0-12700'	7"	26#	P110	LT&C
6 1/8"	0-14000"	3 1/2"	9.3#	p105	CSHYD

Cementing Program:

13 3/8" Surface Casing: Cement to surface with 300 sx CL C 50/50 Poz
+ 10% gel & 8#/sx salt & 1/4# flocele followed by
250 sx CL C + 2% CaCl2

9 5/8" Intermediate: Cement to surface with 1000 sx Premium 50/50 poz
+ 10% gel, + 8#/sx salt + 1/4#/sx flocele and 250 sx
CL C + 2% CaCl2

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7" Intermediate: Cement with 800 sx CL H + 3% Econolight + 5#/sx salt + 14#/sx flocele followed by 200 sx Prem 50/50 poz + 0.5% Halad-477 + 0.25#/sx D-air-1 + 0.17% HR-5 + 0.5#/sx CaCl. This is designed to bring TOC to 4500' +/-

3 1/2" Casing 225 sx Prem+ 3/4% Halad 413- + .3% halad 344 + .3% SER-100

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

(See Exhibit #1 and #2)

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram-type (5000 psi WP) preventer and an annular preventer (5000 psi WP). Units will be hydraulically operated and the ram-type will be equipped with blind rams on top and drill pipe rams on bottom. All BOP's and accessory equipment will be tested to 600 psi before drilling out of surface casing. Before drilling out of intermediate casing, the ram-type BOP and accessory equipment will be tested to 5000/10000 psi and the annular to 3500/5000 psig pressure. The blowout preventer equipment (BOP) shown in Exhibit 2 will consist of a double ram-type (10,000 psi up) preventer and an annular preventer (10,000 psi up) from 12,700' to TD.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets.

6. TYPES AND CHARACTERISTICS OF THE PROPOSED MUD SYSTEM:

The well will be drilled to TD with a combination of brine, cut brine, and polymer/KCL mud system. The applicable depths and properties of this system are as follows:

<u>Depth</u>	<u>Type</u>	<u>Wt (ppg)</u>	<u>Viscosity (sec)</u>	<u>Waterloss (cc)</u>
0-650'	Fresh Water (spud)	8.5	40-45	N.C.
650'-5000'	Brine Water	10.0	30	N.C.
5000'-12700'	Fresh Water	8.4	28	N.C.
12700'-14000'	Brine/Polymer xck	10-14.0	28/45	0/<1 cc

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the wellsite at all times.

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SEC. 26, T24S, R33E
LEA COUNTY, NM

7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:

(A) A kelly cock will be kept in the frill string at all times.

(B) A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.

(C) A mud logging unit complete with H₂S detector will be continuously monitoring drilling penetration rate and hydrocarbon shows from 5000' to TD.

8. LOGGING, TESTING AND CORING PROGRAM:

(A) The electric logging program will consist of GR-Dual Induction Focused and GR-Compensated Density-Neutron from TD to intermediate casing with a GR-Compensated Neutron run from intermediate casing to surface and Sonic from TD to Intermediate casing.

(B) Possible side-wall cores based on shows.

9. ABNORMAL CONDITIONS, PRESSURES, TEMPERATURES AND POTENTIAL HAZARDS:

No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature (BHT) at TD is 175 degrees F with an estimated maximum bottom-hole pressure (BHP) at TD of 9000 psig. No hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. No major loss circulation zones have been reported in offsetting wells.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

The drilling operation should start approximately October 5, 1998 and be finished in approximately 45 days. If the well is productive, an additional 30-45 days will be required for completion and testing before a decision is made to install permanent facilities.

DRILLING PROGRAM

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SEC. 26, T24S, R33E
LEA COUNTY, NM

SURFACE USE AND OPERATIONS PLAN

1. EXISTING ROADS:

Access to location will be made as shown on Exhibit #4

Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

2. PROPOSED ACCESS ROAD:

3230' new access road is required.

No turnouts necessary.

No culverts, cattleguards, gates, low-water crossings are necessary.

Surfacing material consists of native caliche to be obtained from the nearest BLM-approved caliche pit. Any additional materials required will be purchased from the dirt contractor.

3. LOCATION OF EXISTING WELLS:

Exhibit #3 shows all existing wells within a one-mile radius of this well.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

There are no existing production facilities. If production is encountered, a temporary facility will be established on the drill pad, and if warranted, a production facility would be built at a later date in the immediate area of the drill pad location. If the well is productive, the flowline would also be located on the drill-pad site and no additional disturbance will occur.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water for drilling will be purchased from commercial sources and transported to the well site over the roads as shown on Exhibit #2.

6. PLANS FOR RESTORATION OF THE SURFACE:

DRILLING PROGRAM

ENRON OIL & GAS COMPANY
TRISTE DRAW 26 FED. NO. 1
1980' FSL & 1650' FWL
SEC. 26, T24S, R33E
LEA COUNTY, NM

After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Location will be cleaned of all trash and junk to leave the well in an aesthetically pleasing condition as possible.

Any unguarded pits containing fluid will be fenced until they are dry and back filled.

After abandonment of the well, surface restoration will be in accordance with current federal laws and regulations. Location will be cleaned, and the well pad removed to promote vegetation. Reseeding will be as per BLM specifications.

7. METHODS OF HANDLING WASTE DISPOSAL:

A small reserve pit will be utilized. Reserve pit will be evacuated of drilling fluid within 10 days after the well is completed.

Drill cuttings will be encapsulated in plastic and buried two feet below ground level.

Water produced during tests and waste water will be saved and hauled to a disposal well. Oil produced during tests will be in test tanks until sold.

Current laws and regulations pertaining to the disposal of human waste will be complied with.

Trash, waste paper, garbage and junk will be hauled to an approved disposal site in an enclosed trash trailer.

All trash and debris will be removed from the well site within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

No airstrip, campsite, or other facilities will be built.

9. WELL SITE LAYOUT:

Exhibit #4 shows the relative location and dimensions of the well pad.

DRILLING PROGRAM

ENRON OIL & GAS COMPANY
TRISTE DRAW 26 FED. NO. 1
1980' FSL & 1650' FWL
SEC. 26, T24S, R33E
LEA COUNTY, NM

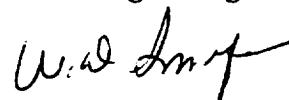
10. OTHER INFORMATION:

The area around the well site is grassland and the top soil is duned and sandy. The vegetation is native scrub grasses with abundant oakbrush, sagebrush, yucca, and prickly pear.

11. CERTIFICATION:

I HEREBY CERTIFY that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Enron Oil & Gas Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

W. D. Smeltzer
Drilling Manager



Date: 8-28-98

DRILLING PROGRAM

ENRON OIL & GAS COMPANY
TRISTE DRAW 26 FED. NO. 1
1980' FSL & 1650' FWL
SEC. 26, T24S, R33E
LEA COUNTY, NM

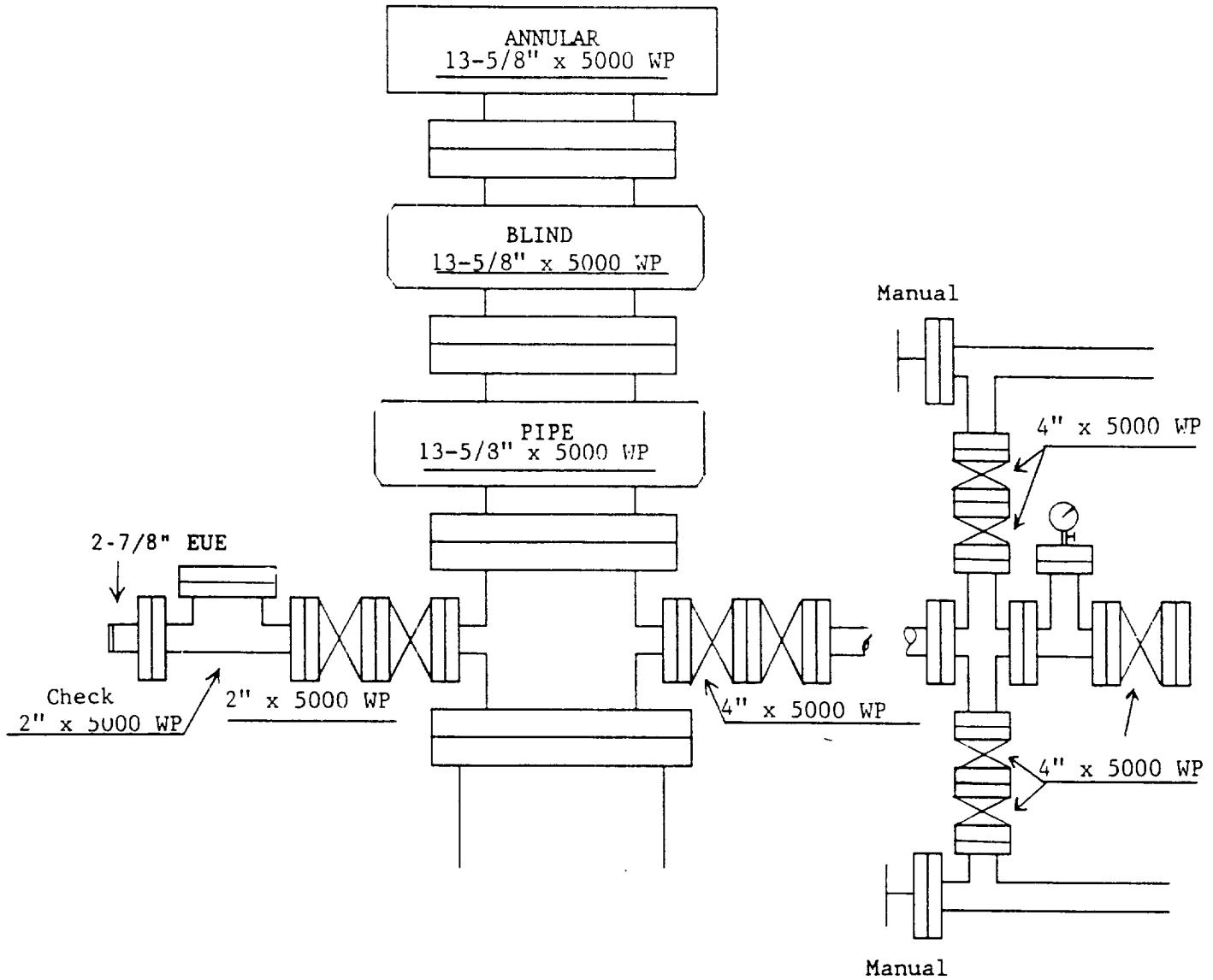
ATTACHMENT TO EXHIBIT #1

1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
2. Wear ring to be properly installed in head.
3. Blow out preventer and all fittings must be in good condition, 5000 psi W.P. minimum. Exhibit #1 and 10,000 psi W.P. minimum, Exhibit #2.
4. All fittings to be flanged
5. Safety valve must be available on rig floor at all times with proper connections, valve to be full bore 10,000 psi W.P. minimum.
6. All choke and fill lines to be securely anchored, especially ends of choke lines.
7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
8. Kelly cock on kelly.
9. Extension wrenches and hand wheels to be properly installed.
10. Blow out preventer control to be located as close to driller's position as feasible.
11. Blow out preventer closing equipment to include minimum 40 gallon accumulator, two independent sources of pump power on each closing unit installation, and meet all API specifications.

ENRON OIL & GAS COMPANY

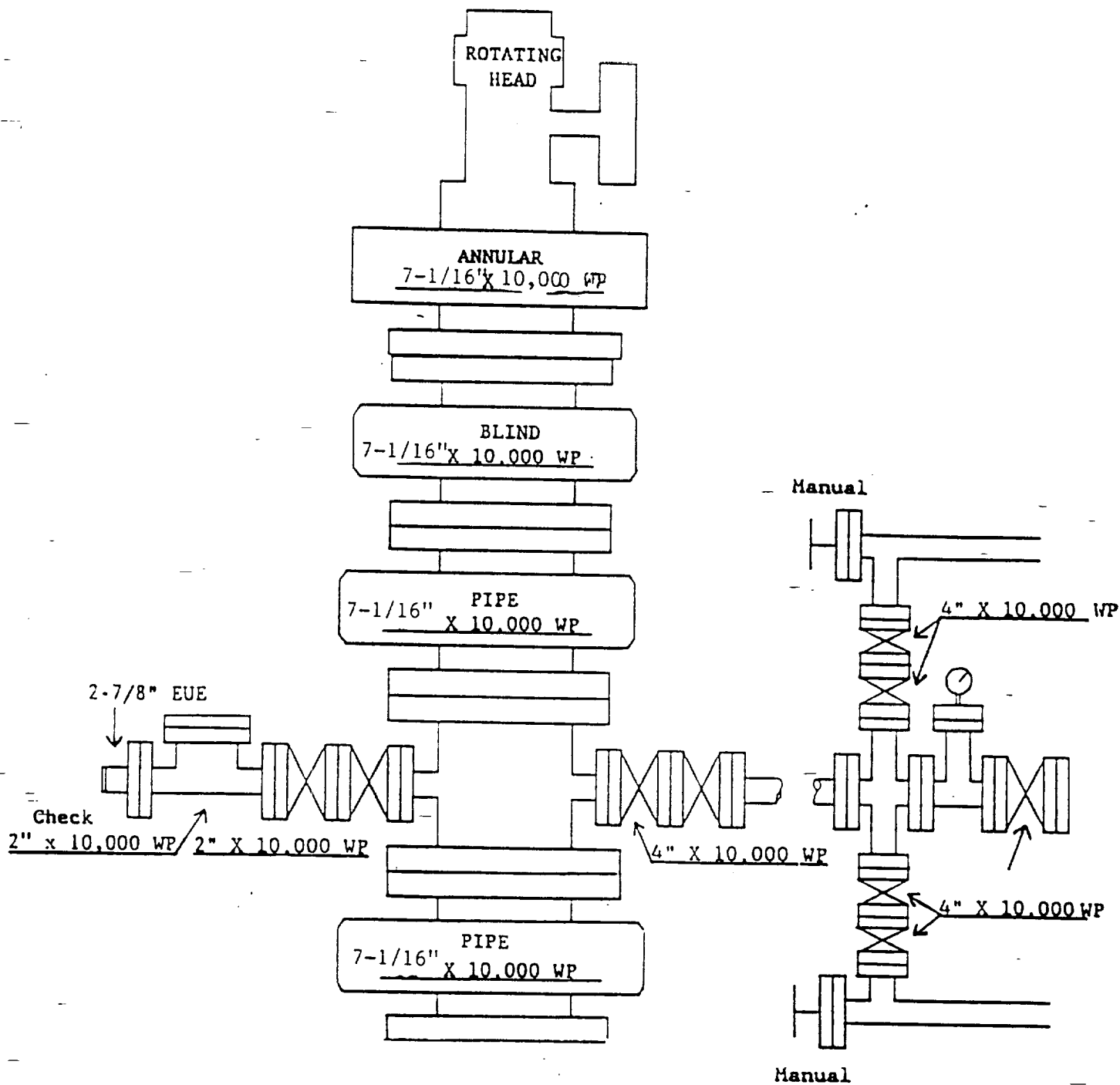
Triste Draw 26 Fed. No. 1

EXHIBIT 1

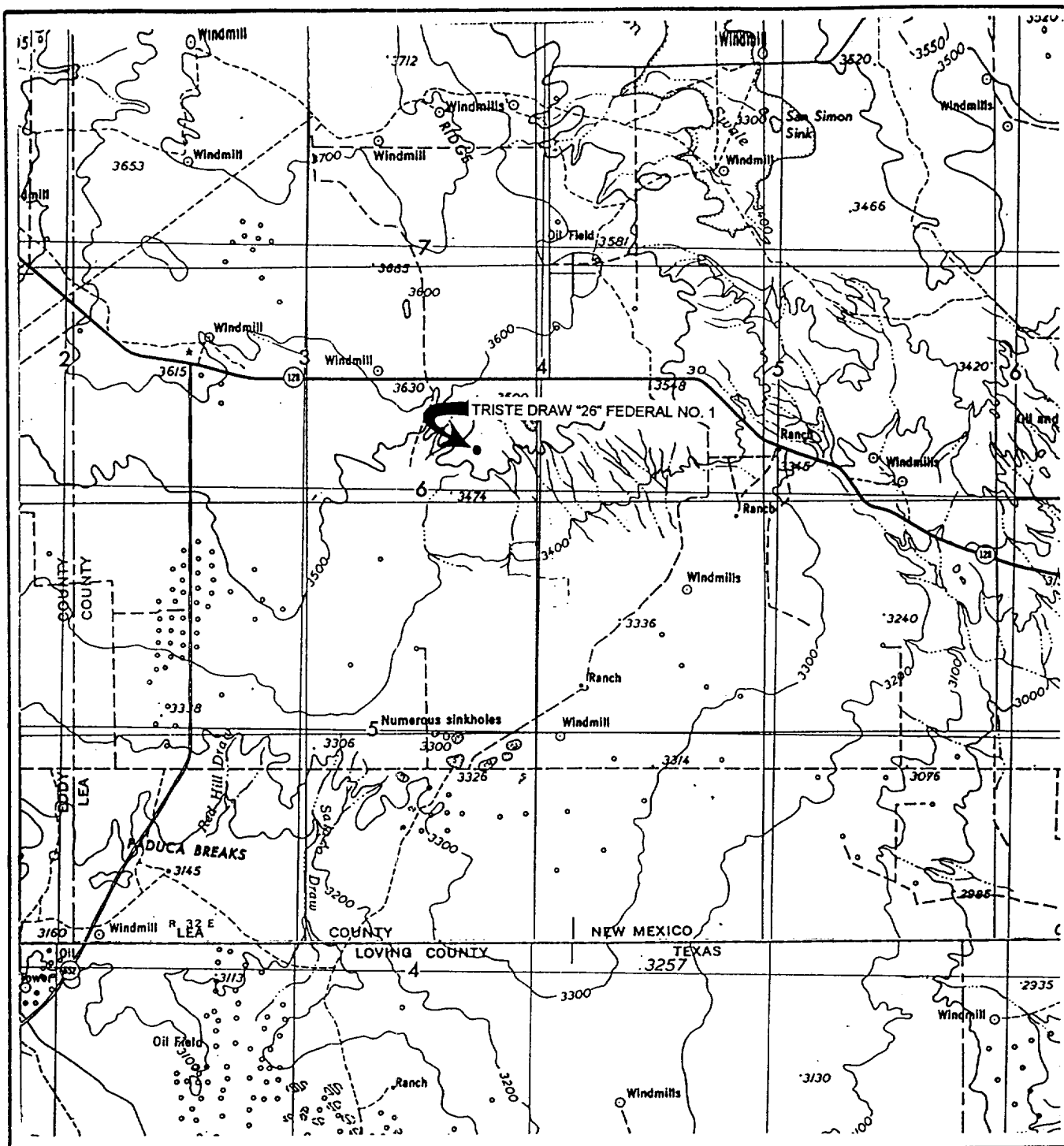


ENRON OIL & GAS COMPANY
Triste Draw 26 Fed No. 1

EXHIBIT 2



VICINITY MAP



WTC 45288

SCALE: 1" = 4 MILES

SEC. 26 TWP. 24-S RGE. 33-E

SURVEY N.M.P.M

COUNTY LEA STATE NM

DESCRIPTION 1980' FSL & 1650' FWL

ELEVATION 3527'

OPERATOR ENRON OIL & GAS COMPANY

LEASE TRISTE DRAW #26 FEDERAL NO. 1

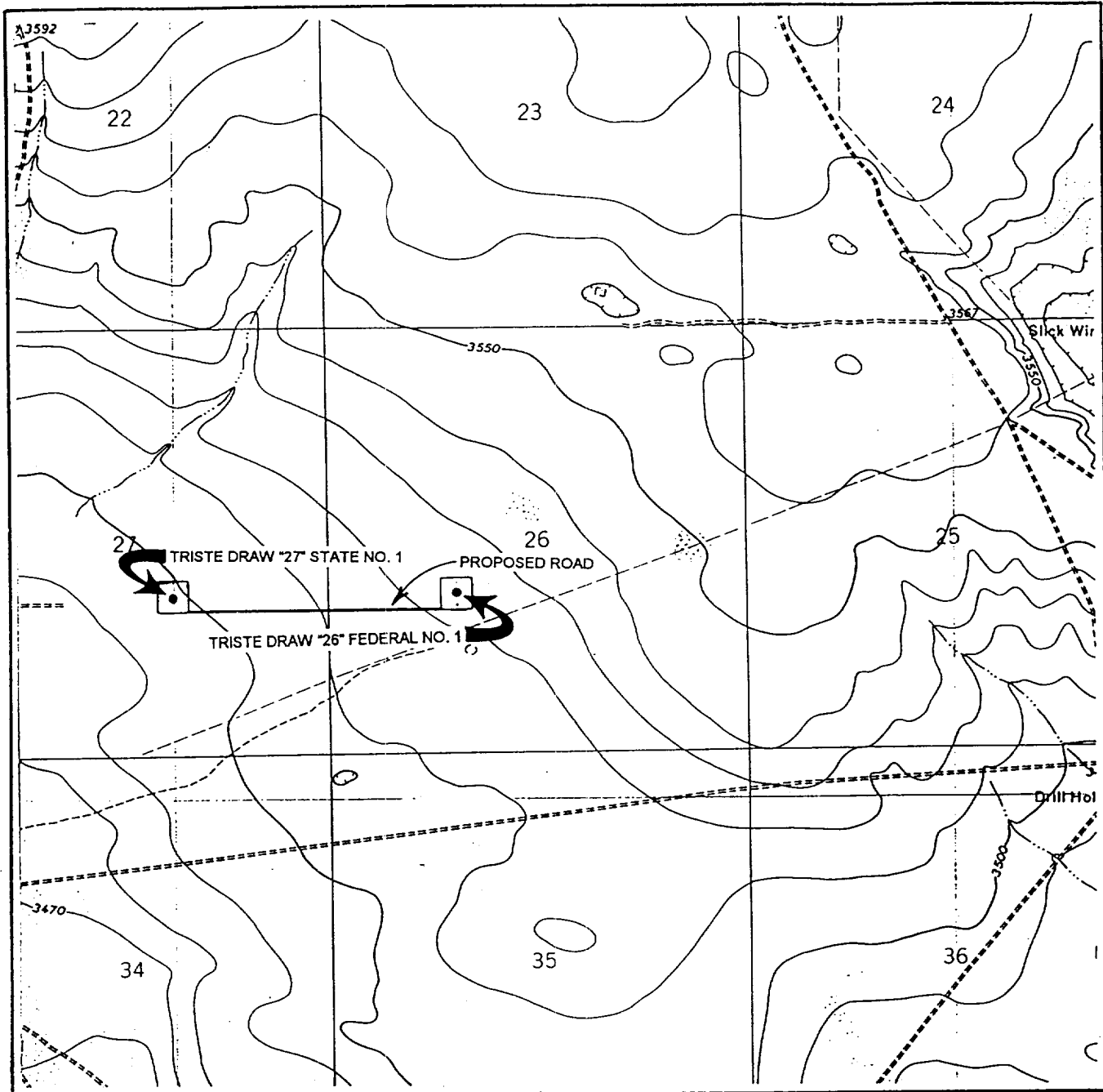
WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

915-685-3800

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'
WTC 45288

CONTOUR INTERVAL 10'

SEC. 26 TWP. 24-S RGE. 33-E

SURVEY N.M.P.M

COUNTY LEA STATE NM

DESCRIPTION 1980' FSL & 1650' FWL

ELEVATION 3527'

OPERATOR ENRON OIL & GAS COMPANY

LEASE TRISTE DRAW "26" FEDERAL NO. 1

USGS TOPO MAP BELL LAKE, NEW MEXICO

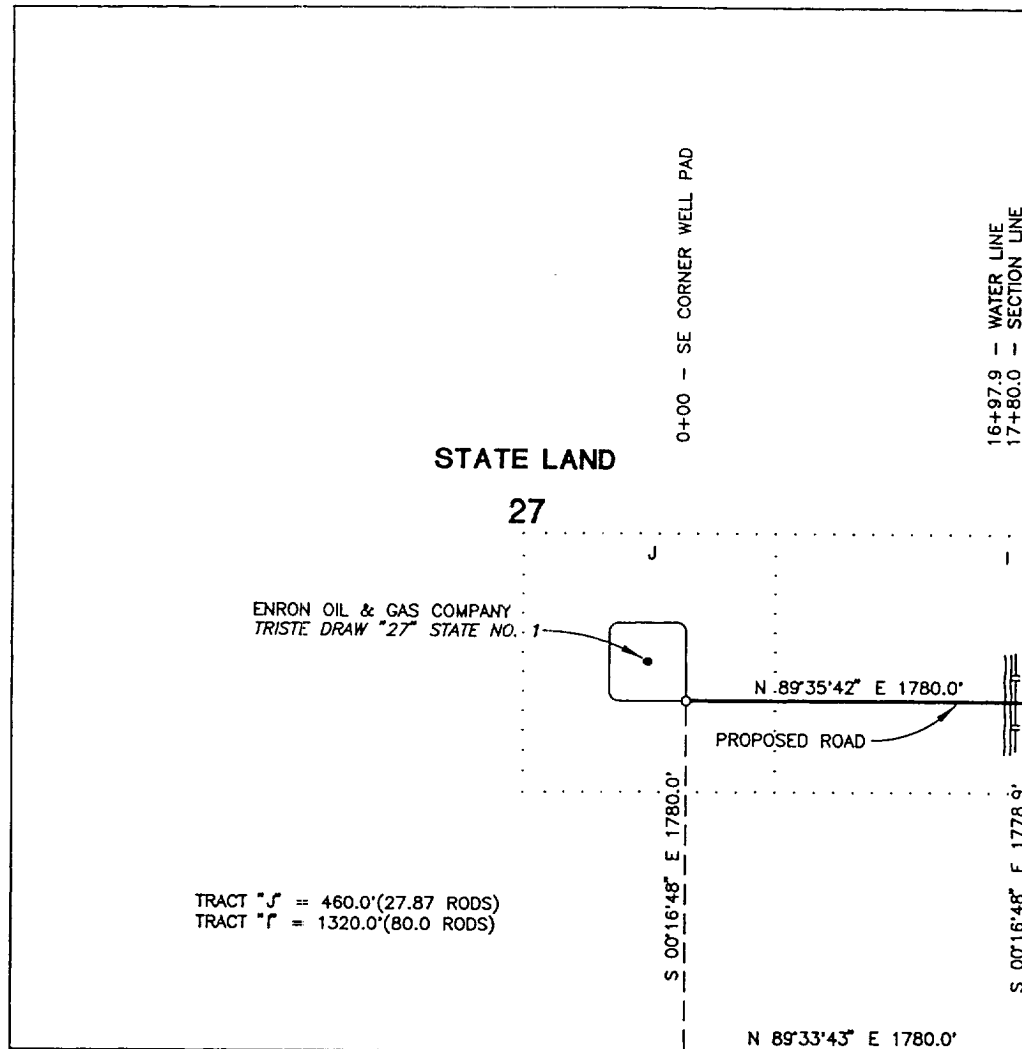
WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

915-685-3800

SECTION 27, TOWNSHIP 24 SOUTH, RANGE 33 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO

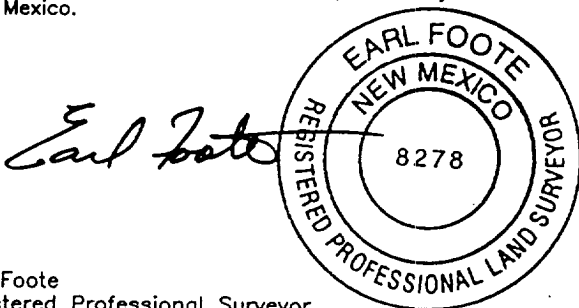


CENTERLINE DESCRIPTION OF A PROPOSED ROAD:

BEGINNING at the southeast corner of well site for Enron Oil & Gas Company TRISTE DRAW "27" STATE NO. 1, from which point the southeast corner of Section 27, T-24-S, R-33-E, N.M.P.M., Lea County, New Mexico bears S 00° 16' 48" E, 1780.0 feet and N 89° 33' 43" E, 1780.0 feet;

THENCE N 89° 35' 42" E, with the centerline of proposed road, 1780.0 feet to a point in the east line of Section 27, for the end of this road, from which point the southeast corner of said Section 27 bears S 00° 16' 48" E, 1778.9 feet;

I hereby certify that this plat was prepared from an actual survey made on the ground and meets or exceeds all requirements for land surveys as specified by the state of New Mexico.



Earl Foote
Registered Professional Surveyor
New Mexico Certificate No. 8278

PROPOSED ROAD TO SERVE
TRISTE DRAW "26" FEDERAL No. 1

ENRON OIL AND GAS COMPANY

1780.0 feet of proposed road in
Section 27, T-24-S, R-33-E, N.M.P.M.,
Lea County, New Mexico.

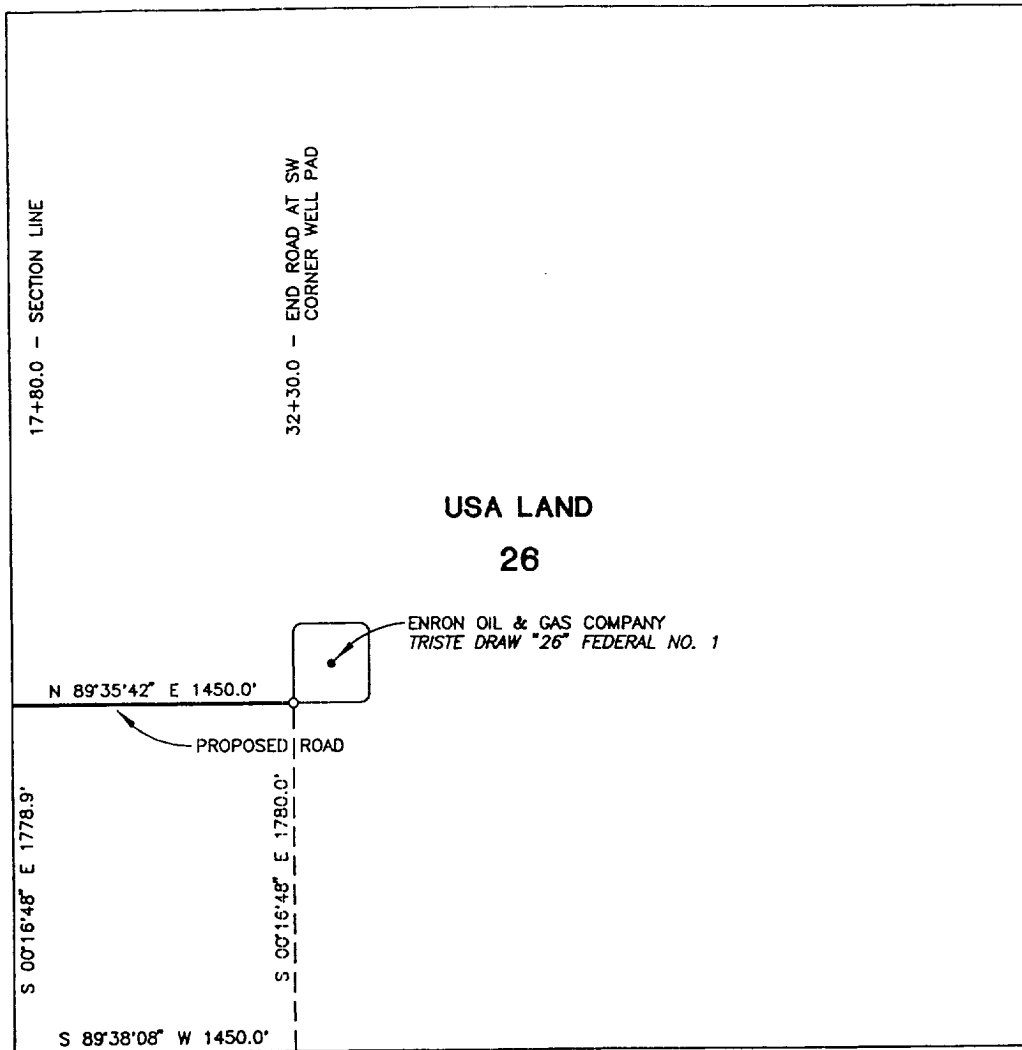
WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

Survey Date: 5-26-98	Date: 5-28-98	Scale: 1" = 1000'
WTC No. 45288	Drawn By: R.S.	Sheet 1 of 2

SECTION 26, TOWNSHIP 24 SOUTH, RANGE 33 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO

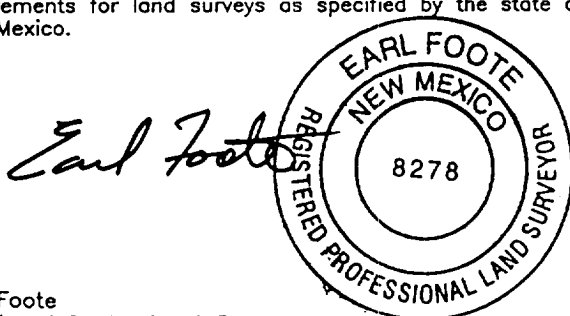


CENTERLINE DESCRIPTION OF A PROPOSED ROAD:

BEGINNING at a point in the west line of Section 26, T-24-S, R-33-E, N.M.P.M., Lea County, New Mexico, from which point the southwest corner of Section 26, bears S 00° 16' 48" E, 1778.9 feet;

THENCE N 89° 35' 42" E, with the centerline of proposed road, 1450.0 feet to the southwest corner of well site for Enron Oil & Gas Company TRISTE DRAW "26" FEDERAL No. 1, for the end of this road, from which point the southwest corner of said Section 26 bears S 00° 16' 48" E, 1780.0 feet and S 89° 38' 08" W, 1450.0 feet.

I hereby certify that this plot was prepared from an actual survey made on the ground and meets or exceeds all requirements for land surveys as specified by the state of New Mexico.



Earl Foote
Registered Professional Surveyor
New Mexico Certificate No. 8278

PROPOSED ROAD TO SERVE
TRISTE DRAW "26" FEDERAL No. 1

ENRON OIL AND GAS COMPANY

1450.0 feet of proposed road in
Section 26, T-24-S, R-33-E, N.M.P.M.,
Lea County, New Mexico.

WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

Survey Date: 5-26-98	Date: 5-28-98	Scale: 1" = 1000'
WTC No. 45288	Drawn By: R.S.	Sheet 2 of 2

EXHIBIT 4

