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N.M. OIL CONS. COMMISSION 30-005-30167

Form 3160-3 (November 1983) (fc.meriy 9-331C) P.O. BOX 1000 IN TRIPLICATE* Form approved.
UNITED STATES 10885, NEW MPXICO* 88240 Budget Bureau No. 1004-0136
Expires August 31, 1985

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Enron Oil	& Gas Company				Hallwood 12	Federal	
	& Gas Company			-	9. WELL NO.		
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DISTRICT III

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

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DRILLING PROGRAM

Enron Oil & Gas Company
Hallwood "12" Federal, Well No. 2
330' FSL & 1980' FEL
Sec. 12, T25S, R33E
Lea County, New Mexico

1. Geologic Name of Surface Formation:

Permian

2. Estimated Tops of Inportant Geologic Markers:

Rustler	850'
Delaware Mt. Group	5175'
Bone Spring Lime	9275'
Bone Spring Pay	12225'
TD	12600'

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas:

Upper Permian Sands	100'	Fresh Water
3rd Bone Spring Sand	12225'	Oil

No other formations are expected to give up oil, gas or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 11-3/4" casing at 650' and circulating cement back to surface, and 8-5/8" casing will be set at 5200' with cement circulated back to surface.



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4. <u>Casing Program:</u>

<u> Hole Size</u>	<u>Interval</u>	OD csq	Weight Grade Jt. Cond. Type
14-3/4	0- 650'	11-3/4	42# H-40 A ST&C
11	0- 5200'	8-5/8	24# & 32# J-55 ST&C
7-7/8	0- 12600'	5-1/2	17# J-55 & N-80 ST&C

Cementing Program:

11-3/4" Surface casing: Cement to surface with 250 sx of Class C

+ 2% CaCl2 + 1/4#/sx flocele.

8-5/8" Intermediate: Cement to surface with 800 sx of Premium Plus

lite + 15#/sx salt + 1/4#/sx Flocele and 300 sx

Cl C + 2% CaCl2

5-1/2" Prod. Casing: Cement with 1200 sx 50/50 Cl H/Poz + 2% Gel + .4%

CF-14, .1% Diacel LWL. This cement slurry is

designed to bring TOC to 7500'.

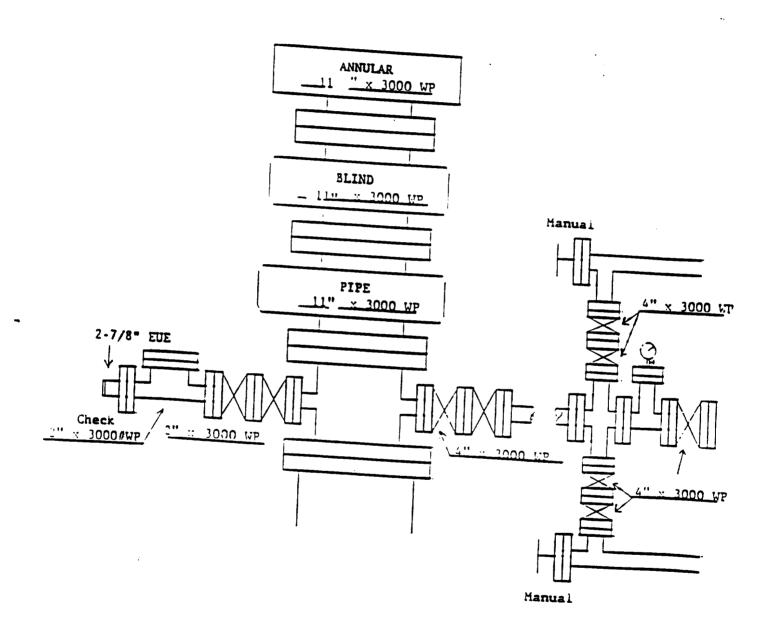
5. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram-type (3000 psi WP) preventer and an annular preventer (3000 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 will be installed on the 11-3/4" surface casing and used continuously until TD is reached. 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 3000 psi and the annular to 70% of rated working pressure (2100 psi).

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. A 2" kill line and 4" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold with 3000 psi WP rating.

ENRON OIL & GAS COMPANY

ATTACHMENT



Attachment to Exhibit #1 ENRON OIL & GAS COMPANY Hallwood "12" Federal, Well No. 2

- 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.
- Wear ring to be properly installed in head.
- 3. Blow out preventer and all fittings must be in good condition, 3000 psi W.P. minimum.
- 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 3000 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
Hallwood "12" Federal, Well No. 2
330' FSL & 1980' FEL
Sec. 12, T25S, R33E
Lea County, New Mexico

6. Types and Characteristics of the Proposed Mud System:

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

		Weight	Viscosity	Waterloss
<u>Depth</u>	Type	<u>(pqq)</u>	<u>(sec)</u>	(cc)
0-650'	Fresh water (spud)	8.5	40-45	N.C.
650'-5200'	Brine water	10.0	30	N.C.
5200'-12600'	Cut Brine	8.8-9.2	28	N.C.

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.

7. Auxiliary Well Control and Monitoring Equipment:

- (A) A kelly cock will be kept in the drill 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) An electronic pit-volume-totalizer system will be used continously below 12000' to monitor the mud and pump system. The drilling fluids system will also be visually monitored at all times.
- (D) A mud logging unit complete with H2S detector will be continuously monitoring drilling penetration rate and hydrocarbon shows from 4500' to TD.

Enron Oil & Gas Company
Hallwood "12" Federal, Well No. 2
330' FSL & 1980' FEL
Sec. 12, T25S, R33E
Lea County, New Mexico

8. Logging, Testing and Coring Program:

- (A) The electric logging program will consist of GR-Dual Laterolog-MSFL and GR-Compensated Density-Neutron from TD to intermediate casing with a GR-Compensated Neutron ran from intermediate casing to surface.
- (B) Possible side wall cores based on shows.

9. Abnormal Conditions, Pressures, Temperatures & Potential Hazards:

The estimated bottom hole temperature (BHT) at TD is 175 degrees F with an estimated maximum bottom-hole pressure (BHP) of 9400 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.

Anticipated Starting Date and Duration of Operations:

Road and location work will not begin until approval has been received from the BLM. Anticipated spud date is unknown at the present time. Once drilling has commenced, the drilling operation should be finished in approximately 38 days. If the well is productive, an additional 30 to 45 days will be required for completion and testing before a decision is made to install permanent facilities.