

WELL WORKOVER PROJECT

APPLICATION AND REPORTING INSTRUCTIONS

(FORM RPD-41171)

Diamond 7 State #2 25237

Name of Individual, Firm or Organization Enron Oil & Gas Company		OGRID Number (for Tax Filer) 7377
Contact Richard King	Telephone Number (713) 853-5041	
Mailing Address P.O. Box 4362		
City Houston	State TX	Zip Code 77210-4362
Check one: ☒ Well Operator ☐ Working Interest Owner ☐ Purchaser		

PUN

POOL NAME

API NUMBER

PRODUCT KIND

(PLEASE CHECK ALL THAT APPLY)

1159587

1047549 - DIFFERENT COMM #
Bona Spring
30 025 323.3
☒ NATURAL GAS ☒ OIL

PLEASE ATTACH A COPY OF THE OIL CONSERVATION DIVISION'S APPLICATION FOR QUALIFICATION OF WELL WORKOVER PROJECT AND CERTIFICATION OF APPROVAL.
FOR DEPARTMENT USE ONLY

CERTIFICATION OF APPROVAL TO USE WELL WORKOVER INCENTIVE TAX RATE

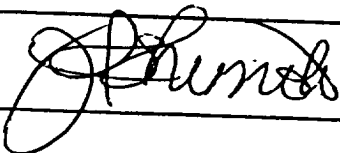
The New Mexico Taxation and Revenue Department is approving the use of the reduced severance tax rate for the above well completion based on the information that you have provided. This Department reserves the right to determine compliance with the provisions of the Natural Gas and Crude Oil Production Incentive Act.

Approval for use of the reduced severance tax rate begins with sales month 11/96.

Please use Special Tax Rate Code 04 on your Form(s) OGT-2 as it applies to the specific well completion and Production Unit Number listed above.

Approved by

Date


7-28-97

5161
30
-1253
-6178
New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Form C-14C
Originated 11/1/91

Submit Originals
Plus 2 Copies
to appropriate
District Office.

03/15/99-AMENDED PRODUCTION FORECAST

H-D317 3/5

APPLICATION FOR
QUALIFICATION OF WELL WORKOVER PROJECT
AND CERTIFICATION OF APPROVAL

COPIES OF THIS APPLICATION AND ALL ATTACHMENTS MUST BE FILED WITH THE APPROPRIATE DISTRICT
OIL CONSERVATION DIVISION.

Operator: Enron Oil & Gas Company OGRID #: 7377

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

Contract Party: Betty Gildon Phone: 915/686-3714

Name of Well: Diamond 7 State #2 API #: 30 025 32313

Location of Well: Unit Letter K, 1650 Feet from the south line and 1650 feet from the west line,
on 7, Township 35S, Range 34E, NMPM, Lea County
25

Workover Procedures Commenced: 10-11-96

Workover Procedures were Completed: 10-11-96

Give a description of the Workover Procedures undertaken to increase the production from the Well.

Give an estimate of the production rate of the Well (a production decline curve or other acceptable method, and
showing monthly oil and/or gas Project Production) based on at least twelve (12) months of established production
which shows the future rate of production based on well performance prior to performing Workover.

(s) on which Production Projection is based: Red Hills Bone Spring

SWAVER:

I am of Texas)
County of Midland) ss.

Betty Gildon being first duly sworn, upon oath states:

I am the Operator or authorized representative of the Operator of the above referenced Well.

I have made, or caused to be made, a diligent search of the production records which are reasonably
available and contain information relevant to the production history of this Well.

To the best of my knowledge, the data used to prepare the Production Projection for this Well is complete
and accurate and this projection was prepared using sound petroleum engineering principles.

Betty Gildon
(Name)

Betty Gildon, Regulatory Analyst
(Title)

SUBSCRIBED AND SWORN TO before me this 16th day of June, 1997



PEGGY C. LAVINE
Notary Public, State of Texas
My Commission Expires 11-21-98

Peggy C. Lavine
Notary Public

My Commission expires: _____

FOR OIL CONSERVATION DIVISION USE ONLY:

VIII. CERTIFICATION OF APPROVAL:

This Application for Qualification of Well Workover Project is hereby approved and the above referenced Well is designated as a Well Workover Project pursuant to the "Natural Gas and Crude Oil Production Incentive Act" (Laws 1995, Chapter 15, Sections 1 through 8). The Oil Conservation Division hereby verifies the Production Projection for the Well Workover Project attached to this application. By copy of this Application and Certification of Approval, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that this Well Workover Project has been completed as of 10-11-96, 19 .

[Signature]
District Supervisor, District
Oil Conservation Division

Date: 7/7/97

IX.

DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT.

DATE: _____

[Signature]
7/24/99

MAR 1999
Received
HOLM
R.D.

Diamond 7 State No. 2

REVISED 03/15/99

Production Projection Before Workover

Base Rate at WO on 10/96

Decline(exp)

Oil 3700 BOPM

35 %/yr

Gas 4300 mcf/mo

33 %/yr

Date	Oil BOPM	Gas MCF/Mo
Oct-96	3700.0	4300.0
Nov-96	3593.6	4183.4
Dec-96	3490.3	4069.9
Jan-97	3390.0	3959.5
Feb-97	3292.6	3852.1
Mar-97	3197.9	3747.6
Apr-97	3106.0	3645.9
May-97	3016.7	3547.0
Jun-97	2930.0	3450.8
Jul-97	2845.8	3357.2
Aug-97	2764.0	3266.2
Sep-97	2684.5	3177.6
Oct-97	2607.3	3091.4
Nov-97	2532.4	3007.5
Dec-97	2459.6	2925.9
Jan-98	2388.9	2846.6
Feb-98	2320.2	2769.4
Mar-98	2253.5	2694.2
Apr-98	2188.8	2621.2
May-98	2125.8	2550.1
Jun-98	2064.7	2480.9
Jul-98	2005.4	2413.6
Aug-98	1947.7	2348.1
Sep-98	1891.7	2284.4
Oct-98	1837.4	2222.5
Nov-98	1784.5	2162.2
Dec-98	1733.3	2103.5
Jan-99	1683.4	2046.5
Feb-99	1635.0	1991.0
Mar-99	1588.0	1937.0
Apr-99	1542.4	1884.4
May-99	1498.1	1833.3
Jun-99	1455.0	1783.6
Jul-99	1413.2	1735.2
Aug-99	1372.5	1688.1
Sep-99	1333.1	1642.3
Oct-99	1294.8	1597.8
Nov-99	1257.6	1554.4
Dec-99	1221.4	1512.3
Jan-00	1186.3	1471.3
Feb-00	1152.2	1431.3
Mar-00	1119.1	1392.5
Apr-00	1086.9	1354.7

Date	Oil BOPM	Gas MCF/Mo
May-00	1055.7	1318.0
Jun-00	1025.3	1282.2
Jul-00	995.8	1247.5
Aug-00	967.2	1213.6
Sep-00	939.4	1180.7
Oct-00	912.4	1148.7
Nov-00	886.2	1117.5
Dec-00	860.7	1087.2
Jan-01	836.0	1057.7
Feb-01	811.9	1029.0
Mar-01	788.6	1001.1
Apr-01	765.9	974.0
May-01	743.9	947.5
Jun-01	722.5	921.8
Jul-01	701.8	896.8
Aug-01	681.6	872.5
Sep-01	662.0	848.8
Oct-01	643.0	825.8
Nov-01	624.5	803.4
Dec-01	606.5	781.6
Jan-02	589.1	760.4
Feb-02	572.2	739.8
Mar-02	555.7	719.7
Apr-02	539.7	700.2
May-02	524.2	681.2
Jun-02	509.2	662.7
Jul-02	494.5	644.8
Aug-02	480.3	627.3
Sep-02	466.5	610.3
Oct-02	453.1	593.7
Nov-02	440.1	577.6
Dec-02	427.4	561.9
Jan-03	415.1	546.7
Feb-03	403.2	531.9
Mar-03	391.6	517.4
Apr-03	380.3	503.4
May-03	369.4	489.7
Jun-03	358.8	476.5
Jul-03	348.5	463.5
Aug-03	338.5	451.0
Sep-03	328.7	438.7
Oct-03	319.3	426.8
Nov-03	310.1	415.2

Date	Oil BOPM	Gas MCF/Mo
Dec-03	301.2	404.0
Jan-04	292.5	393.0
Feb-04	284.1	382.4
Mar-04	276.0	372.0
Apr-04	268.0	361.9
May-04	260.3	352.1
Jun-04	252.8	342.5
Jul-04	245.6	333.2
Aug-04	238.5	324.2
Sep-04	231.7	315.4
Oct-04	225.0	306.9
Nov-04	218.5	298.5
Dec-04	212.2	290.4
Jan-05	206.1	282.6
Feb-05	200.2	274.9
Mar-05	194.5	267.4
Apr-05	188.9	260.2
May-05	183.4	253.1
Jun-05	178.2	246.3
Jul-05	173.1	239.6
Aug-05	168.1	233.1
Sep-05	163.2	226.8
Oct-05	158.6	220.6
Nov-05	154.0	214.6
Dec-05	149.6	208.8
Jan-06	145.3	203.1
Feb-06	141.1	197.6
Mar-06	137.0	192.3
Apr-06	133.1	187.0
May-06	129.3	182.0
Jun-06	125.6	177.0
Jul-06	121.9	172.2
Aug-06	118.4	167.6
Sep-06	115.0	163.0
Oct-06	111.7	158.6
Nov-06	108.5	154.3
Dec-06	105.4	150.1
Jan-07	102.4	146.0
Feb-07	99.4	142.1
Mar-07	96.6	138.2
Apr-07	93.8	134.5
May-07	91.1	130.8
Jun-07	88.5	127.3

Diamond 7 State No. 2

Production Projection Before Workover Continued

Date	Oil BOPM	Gas MCF/Mo
Jul-07	85.9	123.8
Aug-07	83.5	120.5
Sep-07	81.1	117.2
Oct-07	78.7	114.0
Nov-07	76.5	110.9
Dec-07	74.3	107.9
Jan-08	72.1	105.0
Feb-08	70.1	102.1
Mar-08	68.1	99.4
Apr-08	66.1	96.7
May-08	64.2	94.1
Jun-08	62.3	91.5
Jul-08	60.6	89.0
Aug-08	58.8	86.6
Sep-08	57.1	84.3
Oct-08	55.5	82.0
Nov-08	53.9	79.7
Dec-08	52.3	77.6
Jan-09	50.8	75.5
Feb-09	49.4	73.4
Mar-09	48.0	71.4
Apr-09	46.6	69.5
May-09	45.2	67.6
Jun-09	43.9	65.8
Jul-09	42.7	64.0
Aug-09	41.4	62.3
Sep-09	40.3	60.6
Oct-09	39.1	58.9
Nov-09	38.0	57.3
Dec-09	36.9	55.8
Jan-10	35.8	54.3
Feb-10	34.8	52.8
Mar-10	33.8	51.4
Apr-10	32.8	50.0
May-10	31.9	48.6
Jun-10	31.0	47.3
Jul-10	30.1	46.0
Aug-10	29.2	44.8
Sep-10	28.4	43.5
Oct-10	27.6	42.4
Nov-10	26.8	41.2
Dec-10	26.0	40.1
Jan-11	25.2	39.0
Feb-11	24.5	38.0
Mar-11	23.8	36.9
Apr-11	23.1	35.9

Date	Oil BOPM	Gas MCF/Mo
May-11	22.5	34.9
Jun-11	21.8	34.0
Jul-11	21.2	33.1
Aug-11	20.6	32.2
Sep-11	20.0	31.3
Oct-11	19.4	30.5
Nov-11	18.9	29.6
Dec-11	18.3	28.8
Jan-12	17.8	28.0
Feb-12	17.3	27.3
Mar-12	16.8	26.5
Apr-12	16.3	25.8
May-12	15.8	25.1
Jun-12	15.4	24.4
Jul-12	14.9	23.8
Aug-12	14.5	23.1
Sep-12	14.1	22.5
Oct-12	13.7	21.9
Nov-12	13.3	21.3
Dec-12	12.9	20.7
Jan-13	12.5	20.2
Feb-13	12.2	19.6
Mar-13	11.8	19.1
Apr-13	11.5	18.6
May-13	11.2	18.1
Jun-13	10.8	17.6
Jul-13	10.5	17.1
Aug-13	10.2	16.6
Sep-13	9.9	16.2
Oct-13	9.6	15.7
Nov-13	9.4	15.3
Dec-13	9.1	14.9
Jan-14	8.8	14.5
Feb-14	8.6	14.1
Mar-14	8.3	13.7
Apr-14	8.1	13.3
May-14	7.9	13.0
Jun-14	7.6	12.6
Jul-14	7.4	12.3
Aug-14	7.2	12.0
Sep-14	7.0	11.6
Oct-14	6.8	11.3
Nov-14	6.6	11.0
Dec-14	6.4	10.7
Jan-15	6.2	10.4
Feb-15	6.0	10.1

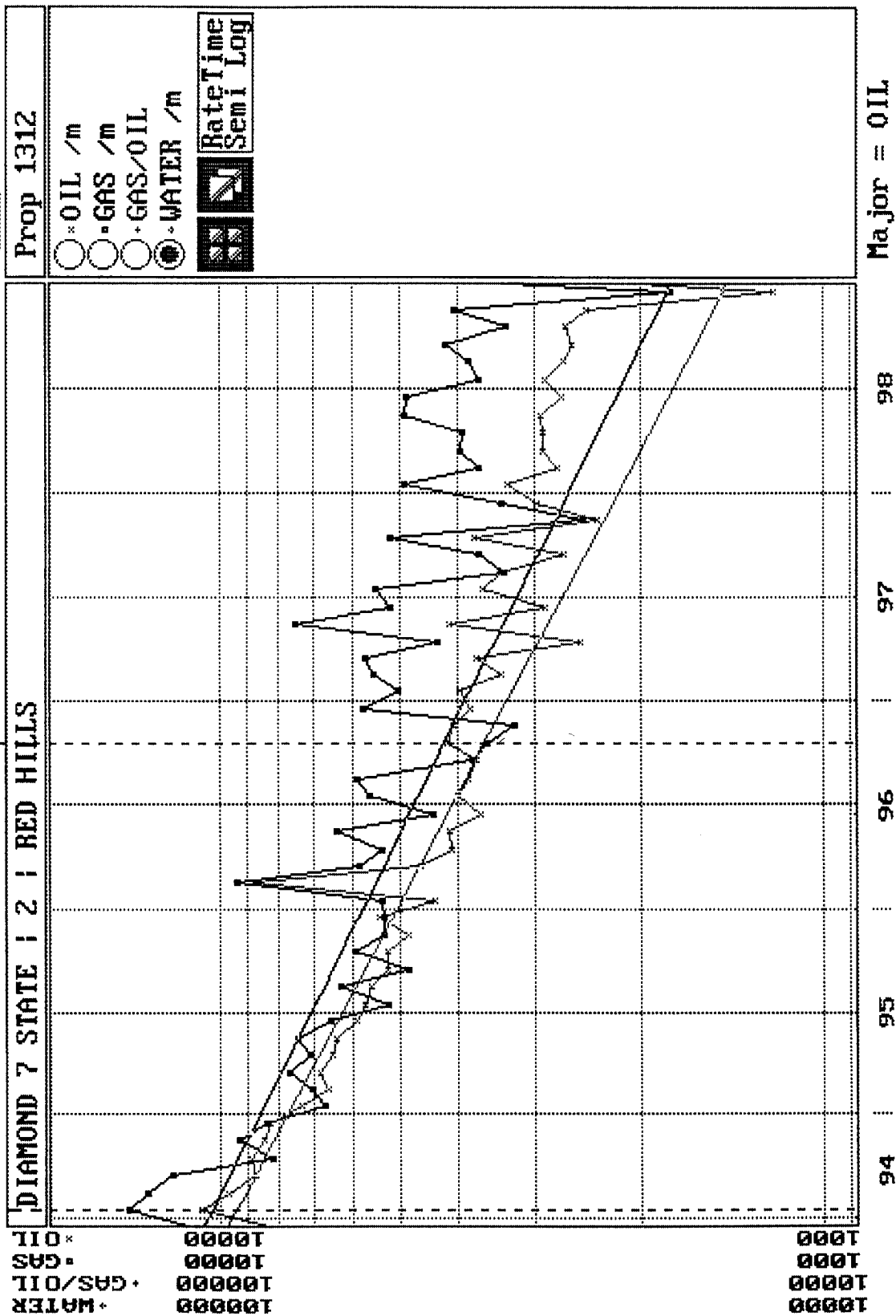
Date	Oil BOPM	Gas MCF/Mo
Mar-15	5.9	9.9
Apr-15	5.7	9.6
May-15	5.5	9.3
Jun-15	5.4	9.1
Jul-15	5.2	8.8
Aug-15	5.1	8.6
Sep-15	4.9	8.4
Oct-15	4.8	8.1
Nov-15	4.7	7.9
Dec-15	4.5	7.7
Jan-16	4.4	7.5
Feb-16	4.3	7.3
Mar-16	4.1	7.1
Apr-16	4.0	6.9
May-16	3.9	6.7
Jun-16	3.8	6.5
Jul-16	3.7	6.4
Aug-16	3.6	6.2
Sep-16	3.5	6.0
Oct-16	3.4	5.8
Nov-16	3.3	5.7
Dec-16	3.2	5.5
Jan-17	3.1	5.4
Feb-17	3.0	5.2
Mar-17	2.9	5.1
Apr-17	2.8	5.0
May-17	2.8	4.8
Jun-17	2.7	4.7
Jul-17	2.6	4.6
Aug-17	2.5	4.4
Sep-17	2.4	4.3
Oct-17	2.4	4.2
Nov-17	2.3	4.1
Dec-17	2.2	4.0
Jan-18	2.2	3.9
Feb-18	2.1	3.8
Mar-18	2.1	3.7
Apr-18	2.0	3.6
May-18	1.9	3.5
Jun-18	1.9	3.4
Jul-18	1.8	3.3
Aug-18	1.8	3.2
Sep-18	1.7	3.1
Oct-18	1.7	3.0
Nov-18	1.6	2.9
Dec-18	1.6	2.9

Diamond 7 State No. 2
Production Projection Before Workover Continued

Date	Oil BOPM	Gas MCF/Mo
Jan-19	1.5	2.8
Feb-19	1.5	2.7
Mar-19	1.4	2.6
Apr-19	1.4	2.6
May-19	1.4	2.5
Jun-19	1.3	2.4
Jul-19	1.3	2.4
Aug-19	1.3	2.3
Sep-19	1.2	2.2
Oct-19	1.2	2.2
Nov-19	1.1	2.1
Dec-19	1.1	2.1
Jan-20	1.1	2.0
Feb-20	1.1	1.9
Mar-20	1.0	1.9
Apr-20	1.0	1.8
May-20	1.0	1.8
Jun-20	0.0	1.7
Jul-20	0.0	1.7
Aug-20	0.0	1.7
Sep-20	0.0	1.6
Oct-20	0.0	1.6
Nov-20	0.0	1.5
Dec-20	0.0	1.5
Jan-21	0.0	1.4
Feb-21	0.0	1.4
Mar-21	0.0	1.4
Apr-21	0.0	1.3
May-21	0.0	1.3
Jun-21	0.0	1.3
Jul-21	0.0	1.2
Aug-21	0.0	1.2
Sep-21	0.0	1.2
Oct-21	0.0	1.1
Nov-21	0.0	1.1
Dec-21	0.0	1.1
Jan-22	0.0	1.0
Feb-22	0.0	1.0
Mar-22	0.0	1.0
Apr-22	0.0	1.0
May-22	0.0	0.0

Workover

Base Prod. Proj. Data



DIAMOND 7 STATE NO. 2
1650' FSL & 1,650' FWL
Sec 7, T35S, R34E
LEA Co., NM
Spud Date: 04/15/94

ENRON OIL & GAS COMPANY
DEV W/O: 12,650' BONE SPRING
RED HILLS Field
EOG%: 100.0000% WI 84.3750% NRI
AFE No.: 10-1128
DHC: 0; CWC: 64,000

10/10/96 Install approximately 12,500' 2-7/8" N-80 EUE 8rd tbg. Prepare as needed for plunger lift operation.

4 hrs install well anchors, set frac tank, set pipe racks and unload 382 jts 2-7/8" G5 N-80 tbg. 6 hrs MIRU Yale E. Key well service. Remove thread protectors and tally 2-7/8" tbg. Lay 2-7/8" flowline from frac tank to wellhead. SDFN. DWC \$3,625. CWC \$3,625.

10/11/96 2 hrs load hot oil truck with 75 bbls oil and heat to 275 degrees. RU hot oil truck to csg and pump hot oil down csg to melt paraffin and to kill well. RD hot oil truck. 9 hrs ND wellhead. Attempt to unseat wraparound with 10' sub attached to elevators wrap around would not release jar on wrap around with 30,000 - 40,000 lbs tension. Wrap around would not release. Unlatch sub. NU BOP. latch onto sub and install TIW valve. Call Cooper representative and Jarrel wireline. Jarrel wrapped primer cord around outside of spool. Pump 25 bbls produced water dwn csg and SI. Jarrel blasted spool. Pull 30,000 - 40,000 lbs tension on sub. Wrap around would not release. Hold tension on sub and place larger charge on spool. Wrap around released. SI BOP. SDFN. DWC \$2,980. CWC \$5,405.

10/12/96 7 hrs RCTL - bled well down. TIH with 4-3/4" bit, 5-1/2" csg scraper, & 388 jts 2-7/8" N-80 tbg. Tag fill @ 12,318'. Perfs are from 12,290'-12,315'. 6 hrs TOH With 388 jts 2-7/8" N-80 6.5# 8rd tbg. 5-1/2" csg scraper, & 4-3/4" bit. TIH With MA & BP. Perf sub, SN, 8 jts 2-7/8" 6.5# N-80 8rd tbg, TAC, & 80 jts 2-7/8" 6.5# N-80 8rd tbg. Secure well. SDFN. DWC \$3,745. CWC \$10,525.

10/13/96 6 hrs RCTL - bled well down. Finish TIH with 303 jts 2-7/8" 6.5# N-80 8rd tbg. Cooper Oil tool arrived @ location with wrap-around for tbg. ND BOP. Set TAC with 14 pts tension. NU tree and flowline. Test wraparound to 5000 psi. Well would not flow. Prepare to swab. 3 hrs start swabbing. Starting FL @ 800'. Made 1 run. Well started flowing to frac tank. Watch for 1 hr. Rec 50 bbls fluid. Switch to production equipment. Watch for 2 hrs. Tbg 480 psi, 28/64" chk. SDFN. Left well flowing. DWC \$47,258. CWC \$57,783.

10/15/96 3 hrs RCTL - well flowing OK. Tbg 400 psi, RDMO, clean location. DWC \$375. CWC \$58,158.