N.M. OIL CONS. COMMISSION P.O. BOX 1980

Form 3160-3 (July 1992)

HOBSS, NEW MEXICO 88240 UNITED STATES

SUBMIT IN TRIPLICATE.

(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT NM 18640-A 6. IF INDIAN, ALLOTTES OF TRIBE NAME APPLICATION FOR PERMIT TO DRILL OR DEEPEN 1s. TYPE OF WORK 7. UNIT AGREEMENT NAME DRILL X DEEPEN [b. TIPE OF WELL OIL X SINGLE ZONE MULTIPLE Zone GAS WELL X 8. FARM OR LEASE NAME WELL NO. OTHER 2. NAME OF OPERATOR Half 7 Federal #1 Enron Oil & Gas Company 9. AT WELL NO. 3. ADDRESS AND TELEPHONE NO. P. O. Box 2267, Midland, Texas 79702 10. FIELD AND POOL, OR WILDCAT 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) Red Hills Bone Spring 11. SBC., T., R., M., OR BLE. AND SURVEY OR ARRA 990' FSL & 660 FWL At proposed prod. sone 990' FSL & 660' FWL Sec 7, T25S, R34E 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 12. COUNTY OR PARISH | 18. STATE Lea NM 29 miles west from Jal 15. DISTANCE PROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT. 330
(Also to nearest drig, unit line, if any) 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED TO THIS WELL <u>3</u>30 40 40 DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS None 12,600 Rotary 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 22. APPROX. DATE WORK WILL START* 3366' GR 6/1/94 23 PROPOSED CASING AND CEMENTING PROGRAM BIZE OF HOLE GRADEL SEZE OF CASENG WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT 14-3/4 11-3/4 H-40 ST&C 421 C1 C CIRCULATED 650 250 Sx 8-5/8 J-55 LT&C 5200 32# 1100 sxCIRCULATED 7-7/8 5-1/2 J-55 & -80 ST&C 17# 12650 1400 sx TOC est at 4500' OPER, OGRID NO. PROPERTY NO. POOL CODE EFF. DATE 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 supainface locations and measured and true vertical depths. Give blowout preventer program, if any. DATE 3/2/94 Regulatory Analyst BIGNED Ret (This space for Federal or State office use) APPROVAL DATE 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: Lencon

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1000 Rio Brazos Rd., Aztec, NM 87410

All Distances must be from the outer boundaries of the section

Operator			Lease			
	ENRON OIL &	GAS CO.		HALF "7" FED.		Well No.
Unit Letter	Section	Township	Range		C	
LOT 4	7	25 SOUTH		34 EAST N	County	154
Actual Footage Loc	eation of Well:		-, 1,	OT LASI M	MPM	LEA
990 feet		JTH line and	660		WE	XT
Ground Level Elev	Producing For	rmation	Pool	feet	from the WES	Dedicated Acreage:
3366'	Bone	Spring	Red	Hills		
1. Outline the ac	creage dedicated to	the subject well by colored	pencil or hachra	e marks on the alst h	helo-	40 Acres
2. If more than	one lease is dedica	ted to the well, outline each	ch and identify ti	he ownership thereof (both as to worki	ng interest and royalty).
unitization, fo	orce-pooling, etc.?	ent ownership is dedicated	to the well, have	the interest of all or	wners been conso	lidated by communitization,
Yes	∏ No	If answer is "yes" type				· · · · · · · · · · · · · · · · · · ·
If answer is "no		A dansat to the season type	or consolidation			
No allowable wi	ill be assigned to	d tract descriptions which	4- 1			nitization, forced-pooling,
otherwise) or un	ntil a non-standar	d unit, eliminating such	interest, has been	onsolidated (by come on approved by the D	ivision.	
					1 1	TOR CERTIFICATION
	İ		; !			eby certify the the information ein is true and complete to the
	į		1			towledge and belief.
	1		1		Signature	V.00
			1		Printed Nam	
	+		+.		Betty G	ildon
	1		İ		Position Regulat	ory Analyst
		•	1		Company	,
	Į į		!		Enron O	il & Gas Company
	i				Date 2/18/9	4
	i					OR CERTIFICATION
] [fy that the well location shown
	1		į		on this plat t	was plotted from field notes of
	l I		!		actual survey	made by me or under my
	l		ļ			nd that the same is true and he best of my knowledge and
		$\langle A \rangle \rangle$	ŀ		belief.	, , ,
}	1	245	١.	1	Date Survey	
		$ \perp D_r$	nondi	60		RWARYOZ, 1994
	3366.8'	+-/-	<u> </u>	<u> </u>	Signature & Professione	E Surveyer
660'	ļ i		DICTO	+	_/ /	7977
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6] 		[]		1 all	Strong & Ces
			1 1		Certificate	NO: JOHN W. WEST, 676
					! / '	RONALD J. EIDSON, 3239
ò 330 680	990 1320 1650 1	1980 2310 2640 20	000 1500	1000 500 0	, g	GARY L. JONES, 7977

DRILLING PROGRAM

Enron Oil & Gas Company
Half 7 Federal, Well No. 1
990' FSL & 660' FWL
Sec. 7, T25S, R34E
Lea County, New Mexico

1. Geologic Name of Surface Formation:

Permian

2. Estmated Tops of Inportant Geologic Markers:

Rustler	8501
Delaware Mt. Group	5175'
Bone Spring Lime	9275'
Bone Spring Pay	12300'
TD	12600'

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

Upper Permian Sands	100'	Fresh Water
3rd Bone Spring Sand	12300'	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.

Enron Oil & Gas Company Half 7 Federal, Well No. 1 990' FSL & 660' FWL Sec. 7, T25S, R34E Lea County, New Mexico

4. Casing Program:

<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	32# J-55 LT&C
7-7/8	0-12650'	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

C1 C + 2% CaC12

5-1/2" Prod casing: Cement with 1400 sx 50/50 Cl H/Poz + 2% gel + .4%

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

designed to bring TOC to 4500'.

5. <u>Minimum Specifications for Pressure Control:</u>

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 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 2500 psi and the annular to 70% of rated working pressure (1750 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 5000 psi WP rating.



ATTACHMENT I

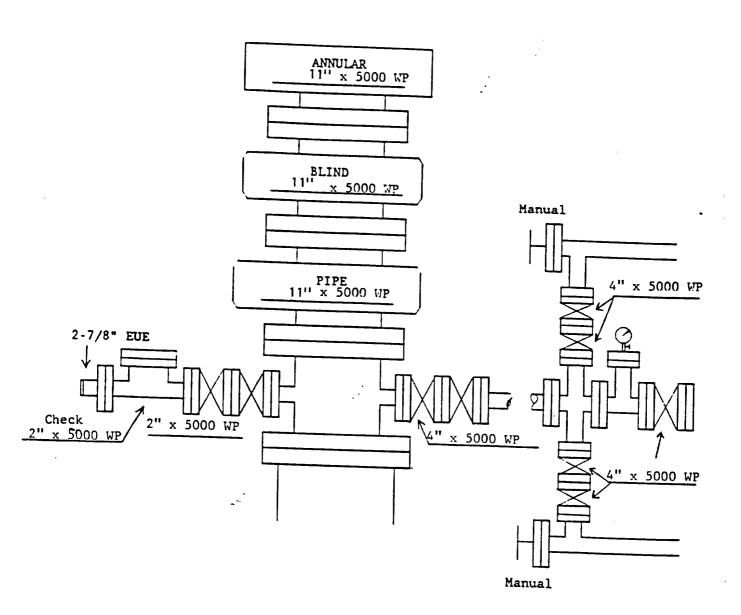


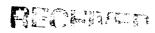
Exhibit #1



N.M. OIL CONS. MMISSION PO BOX 1980

June 1990) DEPARTM	NITED STATES HOBBS, NEW MEXICO 8 ENT OF THE INTERIOR	Budget Bureau No. 1004-0135 Expires: March 31, 1993
SUNDRY NOTICE Do not use this form for proposals to	F LAND MANAGEMENT S AND REPORTS ON WELLS drill or to deepen or reentry to a different reservoir. FOR PERMIT—" for such proposals	5. Lease Designation and Serial No. NM 1864(1-A 6. If Indian, Allottee or Tribe Name
SUBM	IT IN TRIPLICATE	7. If Unit or CA, Agreement Designation
1. Type of Well X Oil Well Well Other 2. Name of Operator Enron Oil & Gas Company		8. Well Name and No. Half 7 Federal #1 9. API Well No.
3. Address and Telephone No. P. O. Box 2267, Midland, Te 4. Location of Well (Footage, Sec., T., R., M., or Survey 990' FSL & 990' FWL Sec 7, T25S, R34E	xas 79702 Description)	10. Field and Pool, or Exploratory Area Red Hills Bone Spring 11. County or Parish, State
2. CHECK APPROPRIATE BOX	X(s) TO INDICATE NATURE OF NOTICE, REPOR	Lea County, NM RT, OR OTHER DATA
TYPE OF SUBMISSION	TYPE OF ACTION	
give subsurface locations and measured and true ver To amend location from 990'		
Application for non-standar	d location is being filed with State of	New Mexico.
4. I hereby certify that the organing is true and correct Signed Betty	Gildon _{Title} Regulatory Analyst	Date 6/7/94
(This space for Februal or State office use) Approved by Conditions of approval, if any:	Title (FOT) AREA MANAGER	Date 6/8/014

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



Miller Mills

Admin Toping

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

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised February 10, 1994 Instruction on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

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

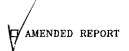
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT III

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088



WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name	
Property Code	Property Name HALF 7 FEDERAL	Well Number	
OGRID No.	Operator Name ENRON OIL & GAS CO.	Elevation 3365'	

1	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	LOT 4	7	25 S	34E		990	SOUTH	990	WEST	Lea

11 Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or	Infill Co	nsolidation (Code Or	der No.				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	: A NON-STANDARD UNIT	HAS DEEN ATTROVED DI	THE DIVISION
LOT 1		1 1 1	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.
39.51 ACRES			Signature
LOT 2		 	Printed Name
39.54 ACRES			Date SURVEYOR CERTIFICATION
LOT 3	,c		I hereby certify that the well location show on this plat was plotted from field notes of actual surveys made by me or under n supervison and that the same is true a correct to the best of my belief.
39.56 ACRES (3368.2)			Date Surveyed Signature & Seal of Princessional Surveyor
3363.7' 3361.8'		1	M. O. NHINI 10 NO. 10949
LOT 4 39.59 ACRES			Certificate No. JOHN W. WEST, 6: RONALD J. EIDSON, 32: GARY L. JONES, 79



RECEIVE

JUNE 1974

OFFICE