

District I - (505) 393-6161
P. O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV

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

Form C-14
Originated 11/1/89

Submit Original
Plus 2 Copies
to appropriate
District Office

H-0507 10/29

APPLICATION FOR
QUALIFICATION OF WELL WORKOVER PROJECT
AND CERTIFICATION OF APPROVAL

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

I. Operator: Enron Oil & Gas Company OGRID #: 7377
Address: P.O. Box 2267, Midland, Texas, 79702

Contact Party: Lee Roark Phone: 915/686-3608

II. Name of Well: Hallwood 12 Federal No. 7 API #: 3002532584
Location of Well: Unit Letter K, 1830 Feet from the South line and 2130 feet from the West line,
Section 12, Township 25S, Range 33E, NMPM, Lea County

III. Date Workover Procedures Commenced: 1/10/98
Date Workover Procedures were Completed: 1/15/98

IV. Attach a description of the Workover Procedures undertaken to increase the production from the Well.
V. Attach an estimate of the production rate of the Well (a production decline curve or other acceptable method, and table 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.

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

VII. AFFIDAVIT:

State of Texas)
County of Midland) ss.

Lee Roark, being first duly sworn, upon oath states:

1. I am the Operator or authorized representative of the Operator of the above referenced Well.
2. 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.
3. 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.

(Name)

Engineer Tech
(Title)

MP

SUBSCRIBED AND SWORN TO before me this 9th day of October, 1998



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 1-15, 1998

Paul J. Kautz
District Supervisor, District 1
Oil Conservation Division

Date: 10/28/98

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

DATE: _____

ENRON L & GAS COMPANY
DEV W/O: 12,600' BONE SPRING
RED HILLS Field
EOG%: 71.8125% WI 58.5271% NRI
AFE No.: 10-1492
DHC: 0; CWC: 166,000

01/09/98 Install surface and subsurface pumping equipment to return the well to a production of 40 BOPD.

Trip in hole with tbg and rods, building pole line.

01/10/98 4 hrs TOOH with tbg and bit. 4 hrs TIH with 2-7/8" OD, N80, 6.5#, 8rd EUE tbg with TAC, SN, PN, BPMA and set as follows:
KB 16.00
378 jts 2-7/8" OD, N80 tbg 11,982.60 @ 12,998.60'
1 2-7/8" x 5-1/2" TAC w/40 K shear 2.90 @ 12,001.50.
4 jts 2-7/8" OD N80 tbg (126.80') 12,128.30'
1 1' 2-7/8" x 2-1/4" seating nipple (1.10) 12,129.40
1-2-7/8" x 4.10' J55 perf 4.10 12,133.50
1-2-7/8" OD N80 jt of tbg w/bull plug
as BPMA (31.75') @ 12,165.25'
Set TAC @ 11,999' - 12,002' with 14 pts tension. SN 12,128 - 29'.
PN 12,129-133' BPMA 12,133-165'
1 hrs ND BOP NU wellhead. 2 hrs RU to run rods and pump and start in hole. SDON.
DWC \$10,150. CWC \$87,850.

01/11/98 6-1/2 hrs finish running rods and down hole pump. Ran as set as follows:
1-1-1/2" x 26' polish rod w/a 1-1/2" x 1-3/4" x 14' polish rod liner.
1-1" x 8' steel pony rod; CEUSCO HS rod with spray metal coupling
101-1" x 25' steel rods; CEMSCO HS rod with spray metal coupling
120-7/8" x 25' steel rods, CEMSCO H5 rods wthi spray metal couplings
250 3/4 x 25' steel rods; CEMSCO H5 rods with spray metal couplings.
10 - 1" x 25' steel rods; CEMSCO H5 rods w/spray metal coupling
1 1" x 1' 26K shear tools
1 - 1" x 2" steel pony rods CEMSCO H5 rods
1 - 2-1/2 x 1-1/4 x 24' x 26 x 30' RHBC, double valve pump with btm discharge valve, hollow valve rod, 264" stroke and 6' plgr.
1 - 1" x 12' gas anchor
2 hrs seat pump and clamp off rods. Pump spaced 30" off btm.
Load and test pump and tbg to 500#. Held ok. RD, clean location and release rig. 8-1/2 hrs set pump @ 12,128'. Lack 275 BLW to recover. DWC \$47,875. CWC \$135,725.

01/12/98 Building pole line. CWC \$135,725.

01/14/98 Setting pumping unit. DWC \$40,890. CWC \$176,615.

01/16/98 19 hrs pump, 38 MCF, 22 BO, 9 x 100" SPM, 250 TP, 38 BW, 54 LP.
Well on pump 12:15 p.m. 1/15/98. CWC \$176,615.

HALLWOOD 12 FEDERAL NO. 1
1980' FSL & 1,980' FWL
Sec 12, T25S, R33E
LEA Co., NM
Spud Date: 07/27/94
Facility AFE
Install pumping unit

ENRON OIL & GAS COMPANY
DEV W/O: 12,600' BONE SPRING
RED HILLS Field
EOG%: 71.8125% WI 58.5271% NRI
AFE No.: 10-1492
DHC: 0; CWC: 166,000

01/17/98 24 hrs pump, 181 MCF, 234 BO, 9 x 100" SPM, 250 FTP, 111 BLW, 56 LP. CWC \$176,615.

01/18/98 24 hrs pump, 292 MCF, 214 BO, 9 x 100" SPM, 210 FTP, 35 BW, 59 LP. CWC \$176,615.

01/19/98 24 hrs pump, 229 MCF, 231 BO, 9 x 100" SPM, 110 FTP, 200 CP, 74 BLW, 54 LP. CWC \$176,615.

01/20/98 24 hrs pump, 164 MCF, 100 BO, 9 x 100" SPM, 50 TP, 190 CP, 0 BW, 52 LP. CWC \$176,615.

01/21/98 24 hrs not pumping, flowing up csg. Shut down pumping unit this p.m. MI Ram WSU. 190 MCF, 167 BO, 60 TP, 260 CP, 16 BW, 55 LP DWC \$407. CWC \$177,472.

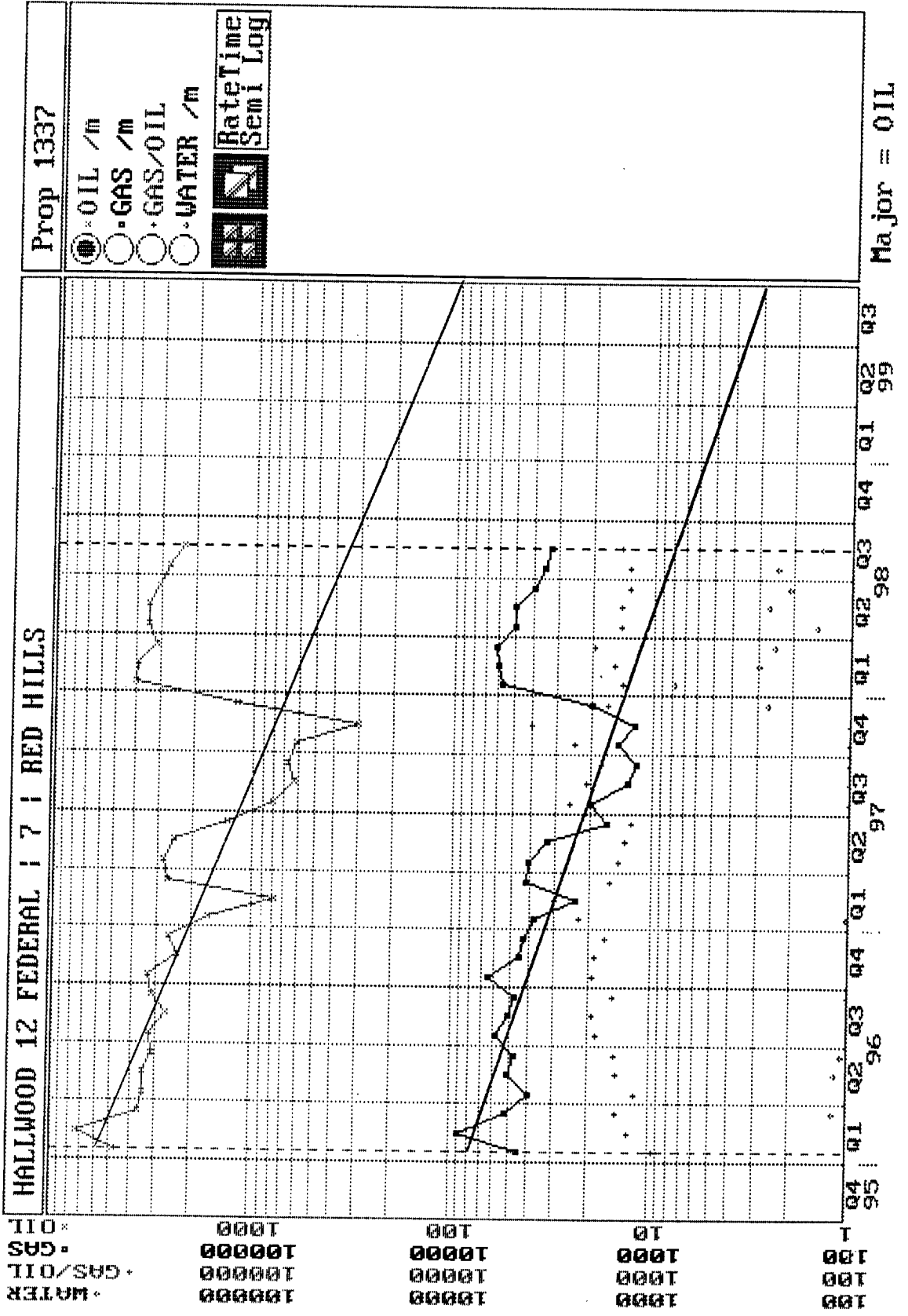
01/22/98 24 hrs pump, 168 MCF, 145 BO, 9 x 100" SPM, 50 TP, 180 CP, 42 BW, 55 LP. DWC \$1,297. CWC \$178,769.

01/23/98 24 hrs pump, 180 MCF, 190 BO, 9 x 100" SPM, 200 TP, 90 CP, 35 BW, 55 LP. CWC \$178,769.

01/24/98 24 hrs pump, 166 MCF, 168 BO, 9 x 100" SPM, 140 TP, 180 CP, 18 BW, 53 LP (balanced unit). CWC \$178,769.

	BOPD	BWPD	MCFD
Production before PU:	30	2	40
Production after PU:	140	20	170

FINAL REPORT



Hallwood 12 Federal No. 7
Future Production Before Workover

IP Rate at WO on 08/97

Oil 800 BOPM
Gas 1600 mcf/mo

Decline(exp)
68 %/yr
55 %/yr

Date	Oil BOPM	Gas MCF/Mo
2/15/98	800.0	1600.0
3/15/98	755.9	1528.3
4/15/98	714.3	1459.9
5/15/98	674.9	1394.5
6/15/98	637.7	1332.0
7/15/98	602.6	1272.3
8/15/98	569.4	1215.3
9/15/98	538.0	1160.9
10/15/98	508.4	1108.9
11/15/98	480.4	1059.2
12/15/98	453.9	1011.7
1/15/99	428.9	966.4
2/15/99	405.3	923.1
3/15/99	383.0	881.8
4/15/99	361.9	842.3
5/15/99	341.9	804.5
6/15/99	323.1	768.5
7/15/99	305.3	734.1
8/15/99	288.5	701.2
9/15/99	272.6	669.8
10/15/99	257.6	639.8
11/15/99	243.4	611.1
12/15/99	230.0	583.7
1/15/00	217.3	557.6
2/15/00	205.3	532.6
3/15/00	194.0	508.7
4/15/00	183.3	485.9
5/15/00	173.2	464.2
6/15/00	163.7	443.4
7/15/00	154.7	0.0
8/15/00	146.1	0.0
9/15/00	138.1	0.0
10/15/00	130.5	0.0
11/15/00	123.3	0.0
12/15/00	116.5	0.0
1/15/01	110.1	0.0
2/15/01	104.0	0.0
3/15/01	98.3	0.0
4/15/01	92.9	0.0
5/15/01	87.8	0.0
6/15/01	82.9	0.0
7/15/01	78.4	0.0
8/15/01	74.0	0.0

Date	Oil BOPM	Gas MCF/Mo
9/15/01	70.0	0.0
10/15/01	0.0	0.0