

STATE OF NEW MEXICO - TAXATION AND REVENUE DEPARTMENT

WELL WORKOVER PROJECT

APPLICATION AND REPORTING INSTRUCTIONS

(FORM RPD-41171)

Name of Individual, Firm or Organization Enron Oil & Gas Company		Diamond 18 Feb 25.340	
Contact Richard King	OGRID Number (for Tax Filer) 7377		
Mailing Address P.O. Box 4362	Telephone Number (713) 853-5041		
City Houston	State TX	Zip Code 77210-4362	
Check one: <input checked="" type="checkbox"/> Well Operator <input type="checkbox"/> Working Interest Owner <input type="checkbox"/> Purchaser			

PUN

POOL NAME

API NUMBER

PRODUCT KIND

(PLEASE CHECK ALL THAT APPLY)

1047732	
Bone Spring	
30 025 32651	
<input checked="" type="checkbox"/> NATURAL GAS	<input checked="" type="checkbox"/> OIL

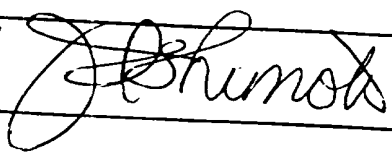
PLEASE ATTACH A COPY OF THE OIL CONSERVATION DIVISION'S APPLICATION FOR QUALIFICATION OF WELL WORKOVER PROJECT AND CERTIFICATION OF APPROVAL.
FOR DEPARTMENT USE ONLY

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 4/97

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
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Office I - (505) 393-6161

P. Box 1980

Albuquerque, NM 88241-1980

Office II - (505) 748-1263

S. First

Albuquerque, NM 88210

Office III - (505) 334-6178

9 Rio Brazos Road

Albuquerque, NM 87410

Office IV

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-140

Originated 11/1/97

Submit Original

Plus 2 Copies

to appropriate

District Office

03/15/99-AMENDED PRODUCTION FORECAST

4-0311

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: Enxron Oil & Gas Company OGRID #: 7377
- Address: P. O. Box 2267, Midland, Texas 79702
- Contact Party: Betty Gildon Phone: 915/686-3714
- II. Name of Well: Diamond 18 Federal #1 API #: 30 025 32651
- Location of Well. Unit Letter E, 1830 Feet from the north line and 660 feet from the west line, Section 18, Township 25S, Range 34E, NMPM, Lea County
- III. Date Workover Procedures Commenced: 3-19-97
- Date Workover Procedures were Completed: 3-19-97
- IV. Attach a description of the Workover Procedures undertaken to increase the projection from the Well.
- Installed tubing
- 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)
) ss.
County of Midland)

Betty Gildon being first duly sworn, upon oath states:

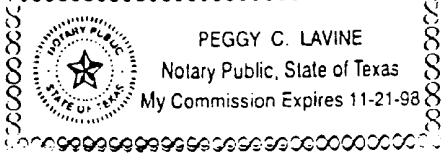
1. I am the Operator or authorized representative of the Operator of the above referenced Well.
2. I have made, or caused to be made, a diligent search of the production records which are reasonably available and contain information relevant to the production history of this Well.
3. To the best of my 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.

Betty Gildon
(Name)

Betty Gildon, Regulatory Analyst
(Title)

JUL 09 1999

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



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 3-19-97, 19__.

[Signature]
District Supervisor, District 1
Oil Conservation Division

Date: 2/7/97

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

DATE: _____

Revised Paul Z. Hunt
3/25/99



Diamond 18 Fed. No. 1

REVISED 03/15/99

Production Projection Before Workover

Base Rate at WO on 03/97

Decline(exp)

Oil 1080 BOPM

62 %/yr

Gas 2050 mcf/mo

41 %/yr

Date	Oil BOPM	Gas MCF/Mo
Mar-97	1080.0	2050.0
Apr-97	1025.6	1981.1
May-97	974.0	1914.6
Jun-97	924.9	1850.3
Jul-97	878.4	1788.1
Aug-97	834.1	1728.1
Sep-97	792.1	1670.0
Oct-97	752.2	1613.9
Nov-97	714.4	1559.7
Dec-97	678.4	1507.3
Jan-98	644.2	1456.7
Feb-98	611.8	1407.8
Mar-98	581.0	1360.5
Apr-98	551.7	1314.8
May-98	523.9	1270.6
Jun-98	497.6	1227.9
Jul-98	472.5	1186.7
Aug-98	448.7	1146.8
Sep-98	426.1	1108.3
Oct-98	404.7	1071.1
Nov-98	384.3	1035.1
Dec-98	364.9	1000.3
Jan-99	346.6	966.7
Feb-99	329.1	934.3
Mar-99	312.5	902.9
Apr-99	296.8	872.6
May-99	281.9	843.2
Jun-99	267.7	814.9
Jul-99	254.2	787.6
Aug-99	241.4	761.1
Sep-99	229.2	735.5
Oct-99	217.7	710.8
Nov-99	206.7	687.0
Dec-99	196.3	663.9
Jan-00	186.4	641.6
Feb-00	177.0	620.0
Mar-00	168.1	599.2
Apr-00	159.7	579.1
May-00	151.6	559.6
Jun-00	144.0	540.8
Jul-00	136.7	522.7
Aug-00	129.9	505.1
Sep-00	123.3	488.1

Date	Oil BOPM	Gas MCF/Mo
Oct-00	117.1	471.7
Nov-00	111.2	455.9
Dec-00	105.6	440.6
Jan-01	100.3	425.8
Feb-01	95.2	411.5
Mar-01	90.4	397.7
Apr-01	85.9	384.3
May-01	81.6	371.4
Jun-01	77.5	358.9
Jul-01	73.6	346.9
Aug-01	69.9	335.2
Sep-01	66.3	324.0
Oct-01	63.0	313.1
Nov-01	59.8	302.6
Dec-01	56.8	292.4
Jan-02	53.9	282.6
Feb-02	51.2	273.1
Mar-02	48.7	263.9
Apr-02	46.2	255.0
May-02	43.9	246.5
Jun-02	41.7	238.2
Jul-02	39.6	230.2
Aug-02	37.6	222.5
Sep-02	35.7	215.0
Oct-02	33.9	207.8
Nov-02	32.2	200.8
Dec-02	30.6	194.0
Jan-03	29.0	187.5
Feb-03	27.6	181.2
Mar-03	26.2	175.1
Apr-03	24.9	169.3
May-03	23.6	163.6
Jun-03	22.4	158.1
Jul-03	21.3	152.8
Aug-03	20.2	147.6
Sep-03	19.2	142.7
Oct-03	18.2	137.9
Nov-03	17.3	133.3
Dec-03	16.4	128.8
Jan-04	15.6	124.5
Feb-04	14.8	120.3
Mar-04	14.1	116.2
Apr-04	13.4	112.3

Date	Oil BOPM	Gas MCF/Mo
May-04	12.7	108.6
Jun-04	12.1	104.9
Jul-04	11.5	101.4
Aug-04	10.9	98.0
Sep-04	10.3	94.7
Oct-04	9.8	91.5
Nov-04	9.3	88.4
Dec-04	8.8	85.5
Jan-05	8.4	82.6
Feb-05	8.0	79.8
Mar-05	7.6	77.1
Apr-05	7.2	74.5
May-05	6.8	72.0
Jun-05	6.5	69.6
Jul-05	6.2	67.3
Aug-05	5.8	65.0
Sep-05	5.6	62.8
Oct-05	5.3	60.7
Nov-05	5.0	58.7
Dec-05	4.8	56.7
Jan-06	4.5	54.8
Feb-06	4.3	53.0
Mar-06	4.1	51.2
Apr-06	3.9	49.5
May-06	3.7	47.8
Jun-06	3.5	46.2
Jul-06	3.3	44.7
Aug-06	3.1	43.2
Sep-06	3.0	41.7
Oct-06	2.8	40.3
Nov-06	2.7	38.9
Dec-06	2.6	37.6
Jan-07	2.4	36.4
Feb-07	2.3	35.2
Mar-07	2.2	34.0
Apr-07	2.1	32.8
May-07	2.0	31.7
Jun-07	1.9	30.7
Jul-07	1.8	29.6
Aug-07	1.7	28.6
Sep-07	1.6	27.7
Oct-07	1.5	26.7
Nov-07	1.4	25.8



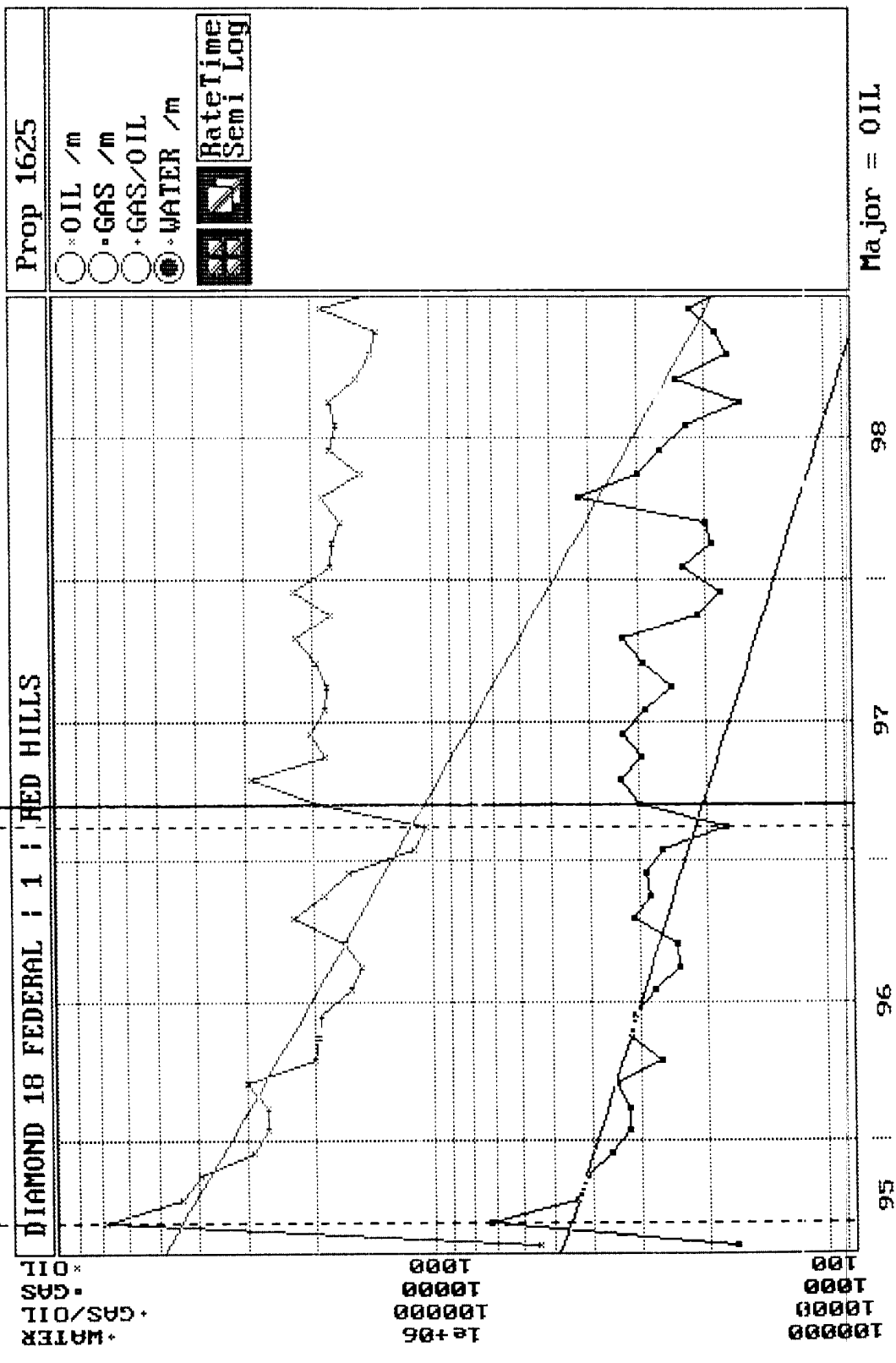
Production Projection Before Workover Continued

Date	Oil BOPM	Gas MCF/Mo
Dec-07	1.4	25.0
Jan-08	1.3	24.1
Feb-08	1.2	23.3
Mar-08	1.2	22.5
Apr-08	1.1	21.8
May-08	1.1	21.1
Jun-08	1.0	20.4
Jul-08	1.0	19.7
Aug-08	0.0	19.0
Sep-08	0.0	18.4
Oct-08	0.0	17.8
Nov-08	0.0	17.2
Dec-08	0.0	16.6
Jan-09	0.0	16.0
Feb-09	0.0	15.5
Mar-09	0.0	15.0
Apr-09	0.0	14.5
May-09	0.0	14.0
Jun-09	0.0	13.5
Jul-09	0.0	13.1
Aug-09	0.0	12.6
Sep-09	0.0	12.2
Oct-09	0.0	11.8
Nov-09	0.0	11.4
Dec-09	0.0	11.0
Jan-10	0.0	10.6
Feb-10	0.0	10.3
Mar-10	0.0	9.9
Apr-10	0.0	9.6
May-10	0.0	9.3
Jun-10	0.0	9.0
Jul-10	0.0	8.7
Aug-10	0.0	8.4
Sep-10	0.0	8.1
Oct-10	0.0	7.8
Nov-10	0.0	7.6
Dec-10	0.0	7.3
Jan-11	0.0	7.1
Feb-11	0.0	6.8
Mar-11	0.0	6.6
Apr-11	0.0	6.4
May-11	0.0	6.2
Jun-11	0.0	5.9
Jul-11	0.0	5.7
Aug-11	0.0	5.6
Sep-11	0.0	5.4

Date	Oil BOPM	Gas MCF/Mo
Oct-11	0.0	5.2
Nov-11	0.0	5.0
Dec-11	0.0	4.8
Jan-12	0.0	4.7
Feb-12	0.0	4.5
Mar-12	0.0	4.4
Apr-12	0.0	4.2
May-12	0.0	4.1
Jun-12	0.0	3.9
Jul-12	0.0	3.8
Aug-12	0.0	3.7
Sep-12	0.0	3.6
Oct-12	0.0	3.4
Nov-12	0.0	3.3
Dec-12	0.0	3.2
Jan-13	0.0	3.1
Feb-13	0.0	3.0
Mar-13	0.0	2.9
Apr-13	0.0	2.8
May-13	0.0	2.7
Jun-13	0.0	2.6
Jul-13	0.0	2.5
Aug-13	0.0	2.4
Sep-13	0.0	2.4
Oct-13	0.0	2.3
Nov-13	0.0	2.2
Dec-13	0.0	2.1
Jan-14	0.0	2.1
Feb-14	0.0	2.0
Mar-14	0.0	1.9
Apr-14	0.0	1.9
May-14	0.0	1.8
Jun-14	0.0	1.7
Jul-14	0.0	1.7
Aug-14	0.0	1.6
Sep-14	0.0	1.6
Oct-14	0.0	1.5
Nov-14	0.0	1.5
Dec-14	0.0	1.4
Jan-15	0.0	1.4
Feb-15	0.0	1.3
Mar-15	0.0	1.3
Apr-15	0.0	1.2
May-15	0.0	1.2
Jun-15	0.0	1.2
Jul-15	0.0	1.1

Date	Oil BOPM	Gas MCF/Mo
Aug-15	0.0	1.1
Sep-15	0.0	1.0
Oct-15	0.0	1.0
Nov-15	0.0	1.0
Dec-15	0.0	0.0

Base Prod. Proj. Data Workover



DIAMOND 18 FEDERAL NO. 1
1,830' FNL & 660' FWL
Sec 13, T25S, R34E
LEA Co., NM
Spud Date: 07/29/95
Nearest Lease Line: 660'
Facility - Compressor Station

ENRON OIL & GAS COMPANY
DEV W/O: 12,600' BONE SPRING
RED HILLS Field
EOG%: 100.0000% WI 82.5000% NRI
AFE No.: 10-1280
DHC: 0; CWC: 64,000

03/17/97 6-1/2 hrs kill truck delivered 500 bbls frac tank to location and set. Chance tool on location delivered BOP and spool, bit, csg scraper, TIW valve. Rowland hot oil machine loaded total 110 bbls hot oil down csg. Dale Meyers trucks delivered 12,127.14' - 381 jts 2-7/8" EUE N80 8rd tbg and racked on location. A-1 pump and supply delivered 5-1/2" TAC, perf nipple, SN 2-1/4" ID, 6 - 2-7/8" collars, 1 - 2-1/2" tapped bull plug. RAM well service. DD PU arrived location and rigged up. Rowland kill truck on location with 120 bbls produced water (stand by). RAM crew tallying tbg and pulling gthread protectors. Csg pressured up to 500 psi, pumping hot oil on small rate. Rig hot oil machine down, csg flowing back @ 250 psi thru open chk. Choked well to 24/64" and left flowing to frac tank overnight. SOFD. DWC \$3,094. CWC \$3,094.

03/18/97 13-1/2 hrs Ram crew on location. Rowland and kill truck on location. Rig kill truck up tie on csg bullhead 50 bbls produced water down. Well went on vacuum. ND WH. NU BOP. RIH w/bit and csg scraper tallying tbg off rack. Ran tbg to 7,100'. Well KO flowing out tbg. Connected to frac tank, flowed 1 hr and died. Kill truck bull headed 50 bbl. FW in casing, well dormant. Ran tbg to 2,800' well KO flowing. Tied kill truck on to tbg and pressured up to 750 lbs. Disconnect kill truck and let flow back to frac tank 45 min. Well dormant. RIH with 393 jts tbg and tagged PBTD @ 12,427'. SOFD. DWC \$3,783. CWC \$6,877.

03/19/97 11 hrs Ram well service crew on location. Rowland truck on location. 15 hrs killed well with 30 bbls PW down annulus. TIH with tbg and tagged PBTD @ 12,427'. TOH with bit and scraper. Well flowed twice, killed with 20 bbls PW at time. TIH with Production string ran 202 jts, well began flowing late, tied tbg into frac tank overnight. DWC \$2,855. CWC \$9,732.

03/20/97 9 hrs Ram crew on location. Rowland kill truck on location. Pumped 20 bbls FW down annulus. Killed well. TIH with 187 jts (remainder) 2-7/8" tbg. ND BOP. SET TAC in production string as follows:

15 pts tension NU WH	KB to GL	18.00'
379 jts 2-7/8" EUE N80 tbg		11995.04'
1 TAC		2.96
7 jts 2-7/8" EUE N80 8rd tbg		221.76
1 SN		1.10
1 perf sub		4.10
1 MA with BP		32.30
		12255.16'

Rig unit down. Rig kill truck down, move to Diamond 18 Fed #3.
LWC \$1,955. CWC \$11,687.