rict I - (505) 393-6161
Box 1980
bs, NM 88241-1980
rict II - (505) 748-1283
S. First
sia, NM 88210
rict III - (505) 334-6178
0 Rio Brazos Road
ec, NM 87410
strict 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-14(
Originated 11/1/9:

Submit Origina
Plus 2 Copie
to appropriat
District Offic.

03/15/99-AMENDED PRODUCTION FORECAST H-D314 3/8

APPLICATION FOR QUALIFICATION OF WELL WORKOVER PROJECT AND CERTIFICATION OF APPROVAL

THREE COPIES OFTHIS APPLICATION AND ALL ATTACHMENTS MUST BE FILEDWITHTHE 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: Betty Gildon Phone: 915/686-3714

II. Name of Well: Hallwood 1 Federal #2 API #: 30 025 32748

Location of Well: Unit Letter A P, 510 Feet from the south line and 660 feet from the ~~east~~ line,
Section 1, Township 25S, Range 33E, NMPM, Lea County

III. Date Workover Procedures Commenced: 10-14-96
Date Workover Procedures were Completed: 10-14-96

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)

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 10-14-96, 19__.

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

Date: 7/7/97

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

DATE: _____

Revised
3/25/99

Hallwood 1 Fed. No. 2

REVISED 03/15/99

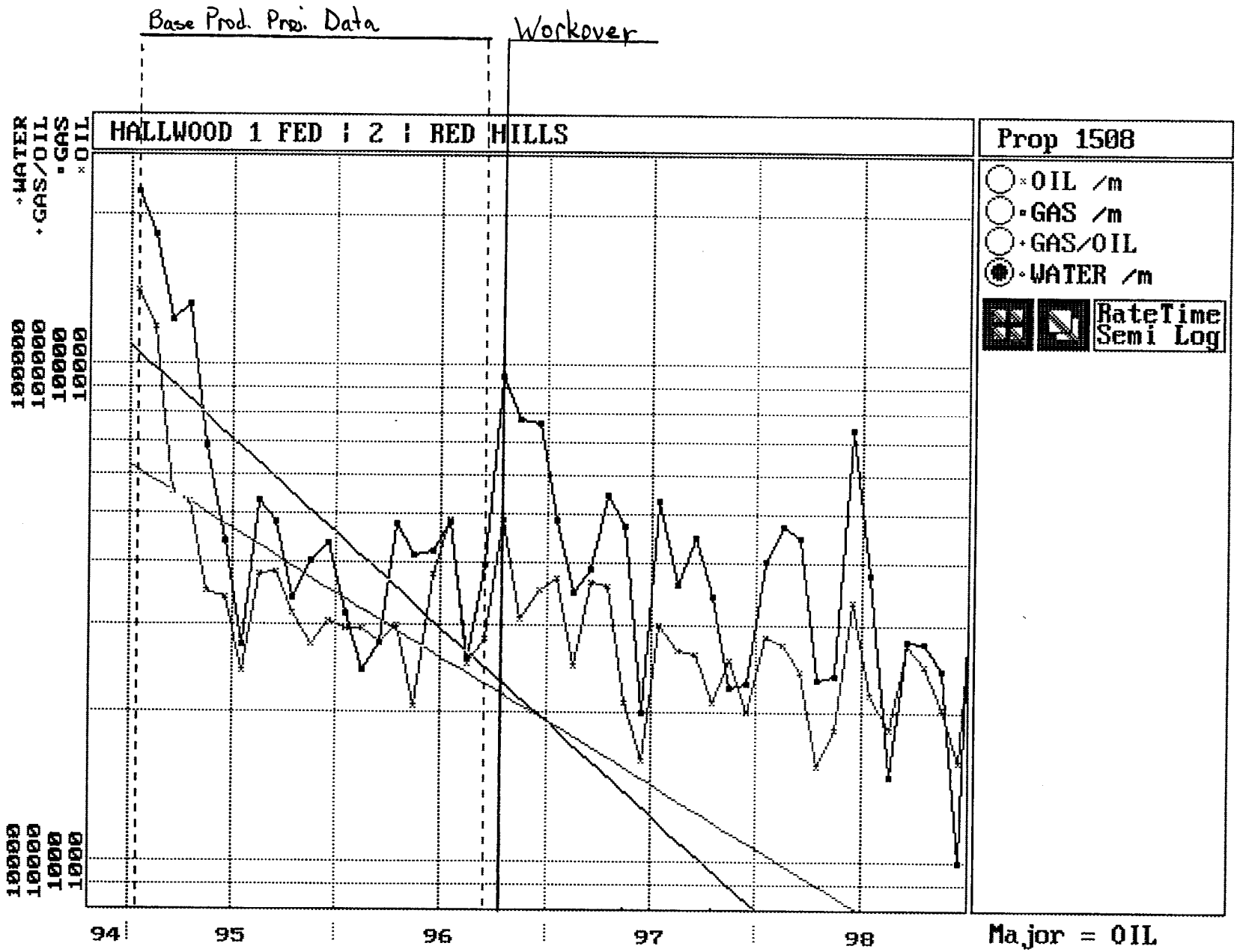
Production Projection Before Workover

Projected Rate at WO on 10/96		Decline(exp)
Oil	2200 BOPM	45 %/yr
Gas	2300 mcf/mo	58 %/yr

Date	Oil BOPM	Gas MCF/Mo
Oct-96	2200.0	2300.0
Nov-96	2119.0	2191.5
Dec-96	2041.0	2088.1
Jan-97	1965.9	1989.6
Feb-97	1893.6	1895.7
Mar-97	1823.9	1806.2
Apr-97	1756.7	1721.0
May-97	1692.1	1639.8
Jun-97	1629.8	1562.4
Jul-97	1569.8	1488.7
Aug-97	1512.0	1418.5
Sep-97	1456.4	1351.5
Oct-97	1402.8	1287.8
Nov-97	1351.2	1227.0
Dec-97	1301.4	1169.1
Jan-98	1253.5	1113.9
Feb-98	1207.4	1061.4
Mar-98	1162.9	1011.3
Apr-98	1120.1	963.6
May-98	1078.9	918.1
Jun-98	1039.2	874.8
Jul-98	1001.0	833.5
Aug-98	964.1	794.2
Sep-98	928.6	756.7
Oct-98	894.5	721.0
Nov-98	861.5	687.0
Dec-98	829.8	654.6
Jan-99	799.3	623.7
Feb-99	769.9	594.3
Mar-99	741.5	566.2
Apr-99	714.2	539.5
May-99	687.9	514.1
Jun-99	662.6	489.8
Jul-99	638.2	466.7
Aug-99	614.7	444.7
Sep-99	592.1	423.7
Oct-99	570.3	403.7
Nov-99	549.3	384.6
Dec-99	529.1	366.5
Jan-00	509.6	349.2
Feb-00	490.9	332.7
Mar-00	472.8	317.0
Apr-00	455.4	302.1
May-00	438.7	287.8
Jun-00	422.5	274.2
Jul-00	407.0	261.3
Aug-00	392.0	249.0
Sep-00	377.6	237.2
Oct-00	363.7	226.0
Nov-00	350.3	215.4
Dec-00	337.4	205.2
Jan-01	325.0	195.5
Feb-01	313.0	186.3
Mar-01	301.5	177.5
Apr-01	290.4	169.1
May-01	279.7	161.1
Jun-01	269.4	153.5
Jul-01	259.5	146.3
Aug-01	249.9	139.4
Sep-01	240.7	132.8
Oct-01	231.9	126.6
Nov-01	223.3	120.6
Dec-01	215.1	114.9
Jan-02	207.2	109.5
Feb-02	199.6	104.3
Mar-02	192.2	99.4
Apr-02	185.2	94.7
May-02	178.3	90.2
Jun-02	171.8	86.0
Jul-02	165.5	81.9
Aug-02	159.4	78.0
Sep-02	153.5	74.4
Oct-02	147.9	70.9
Nov-02	142.4	67.5
Dec-02	137.2	64.3
Jan-03	132.1	61.3
Feb-03	127.3	58.4
Mar-03	122.6	55.6
Apr-03	118.1	53.0
May-03	113.7	50.5
Jun-03	109.5	48.1
Jul-03	105.5	45.9
Aug-03	101.6	43.7
Sep-03	97.9	41.6
Oct-03	94.3	39.7
Nov-03	90.8	37.8
Dec-03	87.5	36.0
Jan-04	84.2	34.3
Feb-04	81.1	32.7
Mar-04	78.2	31.2
Apr-04	75.3	29.7
May-04	72.5	28.3
Jun-04	69.8	27.0
Jul-04	67.3	25.7
Aug-04	64.8	24.5
Sep-04	62.4	23.3
Oct-04	60.1	22.2
Nov-04	57.9	21.2
Dec-04	55.8	20.2
Jan-05	53.7	19.2
Feb-05	51.7	18.3
Mar-05	49.8	17.4
Apr-05	48.0	16.6
May-05	46.2	15.8
Jun-05	44.5	15.1
Jul-05	42.9	14.4
Aug-05	41.3	13.7
Sep-05	39.8	13.1
Oct-05	38.3	12.4
Nov-05	36.9	11.9
Dec-05	35.6	11.3
Jan-06	34.3	10.8
Feb-06	33.0	10.3
Mar-06	31.8	9.8
Apr-06	30.6	9.3
May-06	29.5	8.9
Jun-06	28.4	8.4
Jul-06	27.3	8.0
Aug-06	26.3	7.7
Sep-06	25.4	7.3
Oct-06	24.4	7.0
Nov-06	23.5	6.6
Dec-06	22.7	6.3
Jan-07	21.8	6.0
Feb-07	21.0	5.7
Mar-07	20.3	5.5
Apr-07	19.5	5.2
May-07	18.8	5.0
Jun-07	18.1	4.7

Hallwood 1 Fed. No. 2
Production Projection Before Workover Continued

Date	Oil BOPM	Gas MCF/Mo
Jul-07	17.4	4.5
Aug-07	16.8	4.3
Sep-07	16.2	4.1
Oct-07	15.6	3.9
Nov-07	15.0	3.7
Dec-07	14.5	3.5
Jan-08	13.9	3.4
Feb-08	13.4	3.2
Mar-08	12.9	3.1
Apr-08	12.4	2.9
May-08	12.0	2.8
Jun-08	11.5	2.6
Jul-08	11.1	2.5
Aug-08	10.7	2.4
Sep-08	10.3	2.3
Oct-08	9.9	2.2
Nov-08	9.6	2.1
Dec-08	9.2	2.0
Jan-09	8.9	1.9
Feb-09	8.6	1.8
Mar-09	8.2	1.7
Apr-09	7.9	1.6
May-09	7.6	1.6
Jun-09	7.4	1.5
Jul-09	7.1	1.4
Aug-09	6.8	1.3
Sep-09	6.6	1.3
Oct-09	6.3	1.2
Nov-09	6.1	1.2
Dec-09	5.9	1.1
Jan-10	5.7	1.1
Feb-10	5.5	1.0
Mar-10	5.3	1.0
Apr-10	5.1	0.0
May-10	4.9	0.0
Jun-10	4.7	0.0
Jul-10	4.5	0.0
Aug-10	4.4	0.0
Sep-10	4.2	0.0
Oct-10	4.0	0.0
Nov-10	3.9	0.0
Dec-10	3.7	0.0
Jan-11	3.6	0.0
Feb-11	3.5	0.0
Mar-11	3.3	0.0
Apr-11	3.2	0.0
May-11	3.1	0.0
Jun-11	3.0	0.0
Jul-11	2.9	0.0
Aug-11	2.8	0.0
Sep-11	2.7	0.0
Oct-11	2.6	0.0
Nov-11	2.5	0.0
Dec-11	2.4	0.0
Jan-12	2.3	0.0
Feb-12	2.2	0.0
Mar-12	2.1	0.0
Apr-12	2.1	0.0
May-12	2.0	0.0
Jun-12	1.9	0.0
Jul-12	1.8	0.0
Aug-12	1.8	0.0
Sep-12	1.7	0.0
Oct-12	1.6	0.0
Nov-12	1.6	0.0
Dec-12	1.5	0.0
Jan-13	1.5	0.0
Feb-13	1.4	0.0
Mar-13	1.4	0.0
Apr-13	1.3	0.0
May-13	1.3	0.0
Jun-13	1.2	0.0
Jul-13	1.2	0.0
Aug-13	1.1	0.0
Sep-13	1.1	0.0
Oct-13	1.0	0.0
Nov-13	1.0	0.0
Dec-13	1.0	0.0
Jan-14	0.0	0.0


Base Prod. Proj. Data
Workover
HALLWOOD 1 FED | 2 | RED HILLS
Prop 1508
OIL /m
GAS /m
GAS/OIL
WATER /m
RateTime
Semi Log
WATER
GAS/OIL
GAS
OIL
1000000
100000
10000
10000
1000
1000
94
95
96
97
98
Major = OIL

HALLWOOD 1 FEDERAL NO. 2
510' FSL & 660' FEL
Sec 1, T25S, R33E
LEA Co., NM
Spud Date: 12/10/94
Nearest Lease Line: 510'

ENRON OIL & GAS COMPANY
DEV W/O: 12,600' BONE SPRING
RED HILLS Field
EOG%: 71.8125% WI 58.3476% NRI
AFE No.: 10-1114
DHC: 0; CWC: 64,000

10/15/96 Install 12,500' 2-7/8" N-80 EUE 8rd tbg.

4 hrs install well anchors, transfer BOP, set frac tank, set pipe racks and unload 2-7/8" N-80 6.5# 8rd tbg. HU Rapid Transport Hot Oiler. PUmp down tree with 75 bbls 280 deg oil. Remove protectors and tally tbg. 8 hrs MIRU Yale E. Key WS. ND tree and flowline. NU BOP. TIH With 4-3/4" bit, 5-1/2" csg scraper, & 250 jts 2-7/8" N-80 6.5# 8rd tbg. SI BOP. Install TIW valve. SDFN. DWC $4,635. CWC $4,635.

10/16/96 3 hrs RCTL - bled well down. TIH with 100 jts 2-7/8" N-80 6.5# 8rd tbg. Tbg power tongs on PU quit working. 3 hrs waiting on Yale E. Key WS to show-up with spare tbg tongs. RU power tongs. 2 hrs finish TIH with 31 jts 2-7/8" tbg. Tag fill '@ 12,082'. Perfs @ 12,254'-12,290'. Have approx 208' fill. Set up hydrostatic bailer for Wed morn 8:00 am. 4 hrs TOH with 381 jts 2-7/8" tbg, scraper, & 4-3/4" bit. SI BOP. Install & SI TIW valve. SDFN. DWC $3,265. CWC $7,900.

10/17/96 5 hrs RCTL. Bled well down. RU Hydrostatic bailer with needed chk valves. TIH with hydrostatic bailer & 380 jts 2-7/8" tbg. Tag fill @ 12,082'. 9 hrs move tbg up and down to work hydrostatic bailer. Cleaned out approximately 184' frac sand to 12,266'. Worked @ this depth for approx 1 hr. Could not make anymore footage. Hitting on something solid. TOH with 386 jts tbg and hydrostatic bailer. Found 17.5 jts full of frac sand. SI BOP, close csg valve. SDFN. DWC $4,535. CWC $12,435.

10/18/96 10 hrs RCTL - bled well down. TIH with MA&BP, perf sub, SN, 8 jts 2-7/8" 6.5N-80 ird tbg, 5-1/2" x 2-7/8" TAC & 374 jts 2-7/8" 6.5# N-80 8rd tbg. Btm @ 12,170.98'. SN @ 12,132.92'. Perf sub @ 12,134.02'. ND BOP, set TAC with 14 pts tension. NU tree and flowline. Well not flowing. RU swab, start swabbing. Starting FL 900'. Made 2 runs. Well started flowing to prod facility. Tbg 300 psi, RDMO. Clean location. DWC $46,570. CWC $59,005.