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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 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 Original
Plus 2 Copies
to appropriate
District Office

H-0503

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 1 Federal No. 5 API #: 3002533070
Location of Well: Unit Letter G, 2130 Feet from the North line and 2130 feet from the East line,
Section 1, Township 25S, Range 33E, NMPM, Lea County
- III. Date Workover Procedures Commenced: 2-18-98
Date Workover Procedures were Completed: 3-14-98
- 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:

- 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.

Lee Roark
(Name)
Engineer Tech
(Title)

mp

SUBSCRIBED AND SWORN TO before me this 4th 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 3-14, 1998

[Signature]

District Supervisor, District 1
Oil Conservation Division

Date: 10/15/98

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

DATE: _____

HALLWOOD 1 FEDERAL NO. 5
2,130 FNL & 2,130' FEL
Sec 1, T25S, R33E
LEA Co., NM
Spud Date: 08/24/95
Nearest Lease Line: 510'
GR: 3,447'

ENRON OIL & GAS COMPANY
DEV W/O: 12,600' BONE SPRING
RED HILLS Field
EOG%: 71.8125% WI 58.3476% NRI
AFE No.: 10-1514
DHC: 0; CWC: 176,000

02/18/98	Install surface and subsurface pumping equipment to return the well to production. Fulfer Electric set 4 dead man anchors. WTG spread caliche, set concrete base and set Lufkin 456-365-120 pumping unit. DWC \$41,568. CWC \$41,568.
02/20/98	Fulfer electric finished electric line construction. DWC \$10,596. CWC \$52,164.
03/03/98	WTG add costs for setting unit. DWC \$481. CWC \$52,645.
03/11/98	3 hrs FCP 90-120 psi. MIRU Yale E. Key. Offload and strap 2-7/8" 6.50# N80 tbg. Slug 5-1/2" csg with 50 bbls PW. ND tree. Pull solid hanger. NU BOP's and stripper. 3 hrs flow annulus to battery. PU and RIH with notched collar, tbg disc and 2-7/8" tbg to 6,605'. SWI. SDON. DWC \$5,290. CWC \$57,935.
03/12/98	3 hrs SICP TSTM. Blew csg down. Pump 100 bbls lease oil @ 250 deg down tbg. Pumped out tbg disc with 2000 psi. Pumped 140 bbls PW down tbg with partial returns. 4-1/2 hrs PU 2-7/8" tbg and RIH. Tagged fill @ 12,408'. Bone Springs perfs 12,266'-12,360'. PBTD @ 12,428'. 3 hrs POOH. LD 6 jts. TOOH to 2,750'. SWI. SDON. DWC \$46,330. CWC \$104,265.

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03/13/98

SITP and SICP TSTM. 1-1/2 hrs Blew down. FOOH with 2-7/8" tbg. 7 hrs PU and TIH with purge valve. MA, perf sub, 2-3/8" SN, 7 jts 2-7/8" tbg, TAC & 2-7/8" tbg to 3,365'. Tbg and csg began flowing. SWI. Flow tbg to battery. WO pump truck. Circ out with 70 bbls PW. On vacuum. Finish TIH with total of 386 jts 2-7/8" tbg. ND BOP's. NU tbg, slip type flange. Set TAC 11,993.89' with 15K tension. SN @ 12,218.54'. Perf sub @ 12,219.64'. EOT @ 12,256.18'. Bone Springs perms 12,266-12,360'. Install wellhead. Remove VR plug and gate valves. Build risers. TLTR 260 bbls. 2-1/2 hrs PU and RIH with GA pump, 1" x 2' steel pony rod, 26K shear tool, 10-1" steel rods and 240-3/4" steel rods. SWI. SDON.

Detail:

Purge valve	.75	12255.43
1 MA, 2-7/8", 6.5#, N80, EUE	31.69	12223.74
Perf sub	4.10	12219.64
SN	1.10	12218.54
7 jts tbg 2-7/8" 6.5# N80 EUE	221.85	11996.69
TAC 2-7/8" x 5-1/2"	2.80	11993.89
378 jts tbg 2-7/8" 6.5# N80 EUE	11980.39	
Total ftg picked up	12242.68	
Plus KB to GL	13.50	
Setting depth @ RKB	12256.18	
Bone Springs 12,266'-12,360'. Tagged fill @ 12,408'. Tree and tbg hanger to Cooper 3/12/98. Hallwood "1" No. 7 and "1" #5 (tbg head and csg head gate valves to Cooper 3/12/98)		

Rod Detail:

1-1" X 12' gas anchor
1-2" x 1-1/4" x 20' x 22' x 26' Pump (Harbison-Fischer EOG 004)
1-1" x 2' steel pony rod
1-26K shear tool
10-1" steel rods
250-3/4" steel rods
120-7/8" steel rods
105-1" steel rods
1-8' steel pony rods
1-6' steel pony rod
1-4' steel pony rod
1 x 26' PR
1-1/2" x 1-3/4" x 14' liner

DWC \$35,000. CWC \$139,265.

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AFE No.: 10-1514
DHC: 0; CWC: 176,000

03/14/98 8 hrs SITP and SICP TSTM. PU and RIH with total of 250 3/4" steel rods, 120-7/8" steel rods and 1" steel rods. Seated pump. PU and space out. Install PR and liner. Hung well on, Start unit. Good pump action. Plumb in wellhead. Had fluid to surface in 1 hr @ 8 SPM. Pressure tbg to 500 psi. RD Yale E. Key. Well on pump @ 4:00 p.m. 3/13/98. TLTR 260 bbls. DWC \$2,390. CWC \$141,655.

03/15/98 16 hrs pump, 19 MCF, 64 BO, 8-1/2 x 100" SPM, 140 TP, 72 BLW, 72 cum BLW, 188 BLWTR. CWC \$141,655.

03/16/98 24 hrs pump, 97 MCF, 95 BO, 8-1/2 x 100" SPM, 110 TP, 200 CP, 83 BLW, 155 cum BLW, 33 BLWTR. CWC \$141,655.

03/17/98 24 hrs pump, 113 MCF, 108 BO, 8-1/2 x 144" SPM, 90 TP, 200 CP, 25 BLW, 180 cum BLW, 8 BLWTR. CWC \$141,655.

03/18/98 24 hrs flow, 64 MCF, 101 BO, 8.6 x 100" SPM, 180 TP, 101 CP, 18 BW, 296 cum BLW, 39 BLWTR. CWC \$141,655.

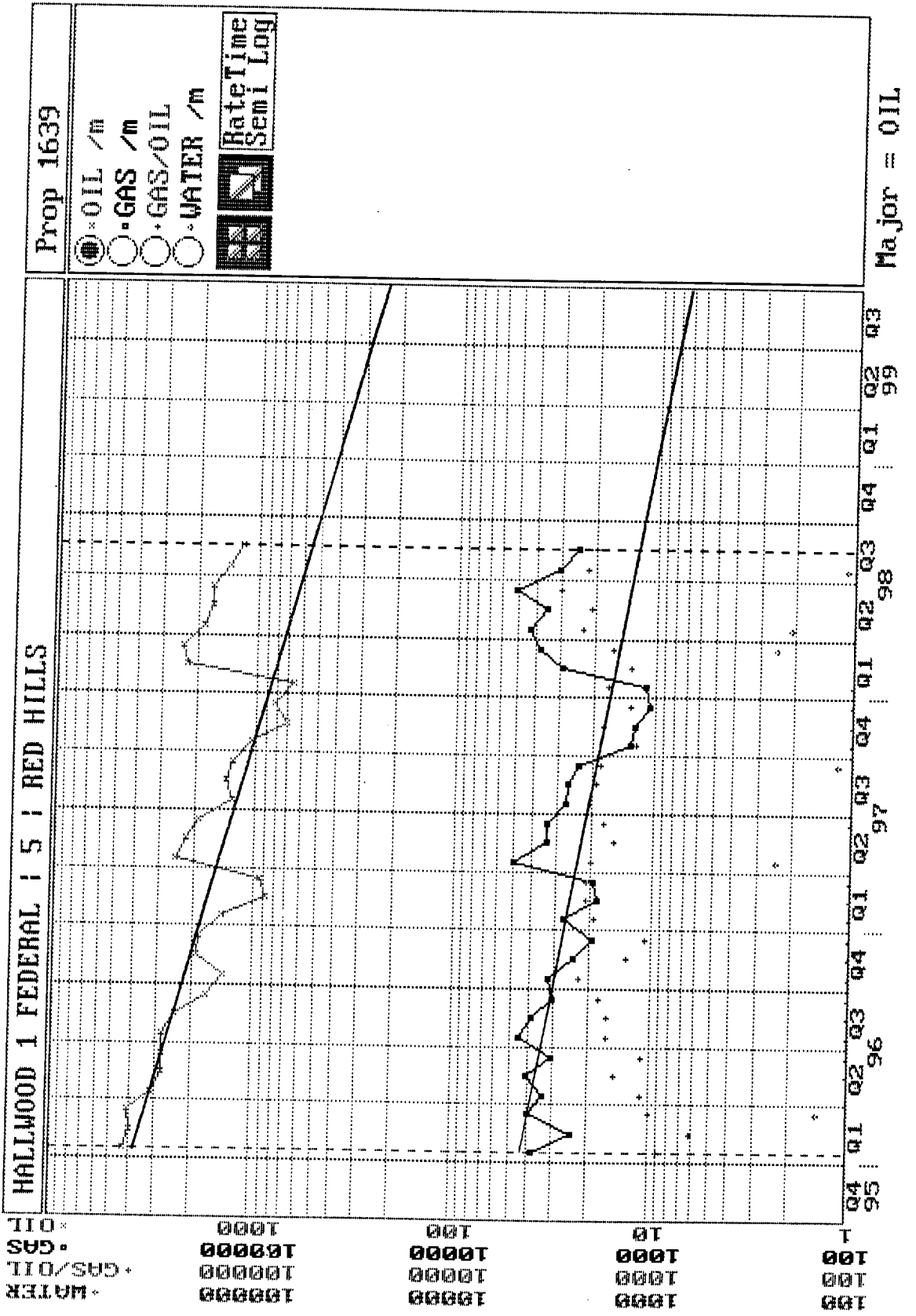
03/19/98 24 hrs pump, 111 MCF, 117 BO, 8-1/2 x 100" SPM, 110 TP, 80 CP, 12 BW, 218 cum BW. CWC \$141,655.

03/20/98 24 hrs pump, 127 MCF, 103 BO, 8-1/2 x 100" SPM, 100 TP, 80 CP, 16 BW, 234 cum BW. CWC \$141,655.

03/21/98 24 hrs pump, 128 MCF, 81 BO, 8-1/2 x 100" SPM, 100 TP, 80 CP, 9 BW, 259 cum BLW. Drop from report. CWC \$141,655.

04/16/98 Production Before PU: 20 BOPD, 50 MCFD, FCP 50.
Production After PU: 100 BOPD, 120 MCFD, 9 BWPD.
Estimated well cost: \$153,000.
AFE cost: \$176,000.

FINAL REPORT



Hallwood 1 Federal No. 5

Future Production Before Workover

IP Rate at WO on 02/98

Oil 700 BOPM
 Gas 1200 mcf/mo

Decline(exp)

54 %/yr
 38 %/yr

Date	Oil BOPM	Gas MCF/Mo
4/15/98	700.0	1200.0
5/15/98	669.2	1162.6
6/15/98	639.8	1126.4
7/15/98	611.6	1091.2
8/15/98	584.7	1057.2
9/15/98	559.0	1024.3
10/15/98	534.4	992.4
11/15/98	510.9	961.4
12/15/98	488.4	931.5
1/15/99	466.9	902.4
2/15/99	446.3	874.3
3/15/99	426.7	847.0
4/15/99	407.9	820.6
5/15/99	390.0	795.1
6/15/99	372.8	770.3
7/15/99	356.4	746.3
8/15/99	340.7	723.0
9/15/99	325.7	700.5
10/15/99	311.4	678.6
11/15/99	297.7	657.5
12/15/99	284.6	637.0
1/15/00	272.1	617.1
2/15/00	260.1	597.9
3/15/00	248.7	579.3
4/15/00	237.7	561.2
5/15/00	227.3	543.7
6/15/00	217.3	526.8
7/15/00	207.7	510.3
8/15/00	198.6	494.4
9/15/00	189.8	479.0
10/15/00	181.5	464.1
11/15/00	173.5	449.6
12/15/00	165.8	435.6
1/15/01	158.6	422.0
2/15/01	151.6	408.9
3/15/01	144.9	396.1
4/15/01	138.5	383.8
5/15/01	132.4	371.8
6/15/01	126.6	360.2
7/15/01	121.0	349.0
8/15/01	115.7	338.1
9/15/01	110.6	327.6
10/15/01	105.8	317.4

Date	Oil BOPM	Gas MCF/Mo
11/15/01	101.1	0.0
12/15/01	96.6	0.0
1/15/02	92.4	0.0
2/15/02	88.3	0.0
3/15/02	84.4	0.0
4/15/02	80.7	0.0
5/15/02	77.2	0.0
6/15/02	73.8	0.0
7/15/02	70.5	0.0
8/15/02	67.4	0.0
9/15/02	64.5	0.0
10/15/02	61.6	0.0
11/15/02	58.9	0.0
12/15/02	56.3	0.0
1/15/03	53.8	0.0
2/15/03	51.5	0.0
3/15/03	49.2	0.0
4/15/03	47.0	0.0
5/15/03	45.0	0.0
6/15/03	43.0	0.0
7/15/03	41.1	0.0
8/15/03	39.3	0.0
9/15/03	37.6	0.0
10/15/03	35.9	0.0
11/15/03	34.3	0.0
12/15/03	32.8	0.0
1/15/04	0.0	0.0