

N.M. OIL CONS. COMMISSION
P.O. BOX 1980
HOBBS, NEW MEXICO 88240

SUBMIT IN TRIPLICATE*
(Instructions on reverse side)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 18640-A	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Enron Oil & Gas Company		7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. P. O. Box 2267, Midland, Texas 79702 (915) 686-3714		8. FARM OR LEASE NAME, WELL NO. Half 7 Federal #2	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 2145' FSL & 584' FWL At proposed prod. zone 2145' FSL & 584' FWL		9. API WELL NO.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 29 miles west of Jal, NM		10. FIELD AND POOL, OR WILDCAT Red Hills Bone Spring	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 495		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 7, T25S, R34E	
16. NO. OF ACRES IN LEASE 598.41		12. COUNTY OR PARISH Lea	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40 (SJS)		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1224' to #1		19. PROPOSED DEPTH 12,600	
20. ROTARY OR CABLE TOOLS Rotary		21. APPROX. DATE WORK WILL START* June 19, 1996	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3384' GR		22. APPROX. DATE WORK WILL START* June 19, 1996	
23. PROPOSED CASING AND CEMENTING PROGRAM			

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14-3/4	11-3/4 H-40 A	ST&C 42#	650	350 sx Circulated
11	8-5/8 J-55	ST&C 32#	5200	1050 sx Circulated
7-7/8	5-1/2 P-110	LT&C 17#	12600	1600 sx Est TOC @ 5000'
	& S-95			

The Undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on leased land or portions thereof as shown below:

NM 18640-A
Sec 7, T25S, R34E
Federal Bond # is MT 0748 with endorsement to New Mexico

OPER. GRID NO. 7377
PROPERTY NO. 15331
POOL CODE 51020
EFF. DATE 7/22/96
API NO. 30-025-33523

Approval Subject to
General Requirements and
Special Stipulations
Attached

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 subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Betty Gildon TITLE Regulatory Analyst DATE 5/14/96
(This space for Federal or State office use)

PERMIT NO. _____ 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:

APPROVED BY /s/ TIMOTHY J. BURKE TITLE Acting Area Manager DATE 7-3-96

*See Instructions On Reverse Side