



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

December 14, 1998

Enron Oil & Gas Company
c/o Campbell, Carr, Berge & Sheridan, P. A.
P. O. Box 2208
Santa Fe, New Mexico 87504-2208
Attention: William F. Carr

Telefax No. (505) 983-6043

Administrative Order NSL-4180

Dear Mr. Carr:

Reference is made to: (i) your application dated December 1, 1998 on behalf of the operator Enron Oil & Gas Company ("Enron"); and, (ii) the records of the Division in Santa Fe: all of which refer to Enron's request for an unorthodox gas well location within the Undesignated Johnson Ranch-Wolfcamp Gas Pool in Section 34, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico.

Enron seeks to reorient the acreage that is currently dedicated to their Triste Draw "34" State Well No. 1 (API No. 30-025-34502), located at a standard gas well location 1921 feet from the North line and 730 feet from the East line (Unit H) of Section 34, from its standard 320-acre stand-up E/2 dedication to a standard 320-acre lay-down N/2 dedication and, pursuant to the applicable rules and procedures for the Undesignated Johnson Ranch-Wolfcamp Gas Pool [Division General Rule 104.C(2)(b)], this location is now considered to be "unorthodox".

It is our understanding that Enron plans to drill its Triste Draw "34" State Well No. 2 in order to test the Undesignated Johnson Ranch-Wolfcamp Gas Pool at a standard gas well location within the S/2 of Section 33, being a standard 320-acre lay-down gas spacing and proration unit.

It is further understood that this reorientation of acreage will enable the applicant to place two wells in the eastern half of Section 33, which pursuant to the geologic interpretation submitted with this application, will serve to maximize the development of Wolfcamp gas reserves underlying Section 34.

This application has been duly filed under the provisions of Rule 104.F of the Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox Wolfcamp gas well location for the existing Triste Draw "34" State Well No. 1 is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs /
New Mexico State Land Office - Santa Fe