



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 1, 1996

Enron Oil & Gas Company
P.O. Box 2267
Midland, Texas 79702
Attention: Patrick J. Tower

Administrative Order NSL-3644

Dear Mr. Tower:

Reference is made to your application dated February 22, 1996 to drill your proposed Sand Tank "7" Federal Com Well No. 1 at an unorthodox gas well location 990 feet from the North and West lines (Lot 1/Unit D) of Section 7, Township 18 South, Range 30 East, NMPM, to test the Undesignated Sand Tank-Morrow Gas Pool, Eddy County, New Mexico.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Morrow formation than a well drilled at a location considered to be standard.

Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of said Section 7 shall be dedicated to the well to form a non-standard 311.64-acre gas spacing and proration unit for the subject pool.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
William F. Carr - Santa Fe