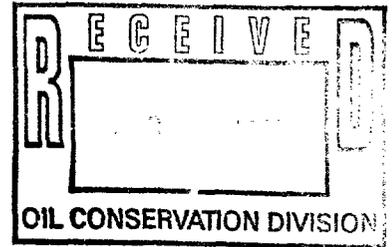


BEFORE THE
OIL CONSERVATION DIVISION



NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF ENRON OIL & GAS COMPANY
FOR AN UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO.

CASE NO. 11369

APPLICATION

COMES NOW ENRON OIL & GAS COMPANY, through its undersigned attorneys,
and hereby makes application for an order approving an unorthodox well location, and in
support thereof states:

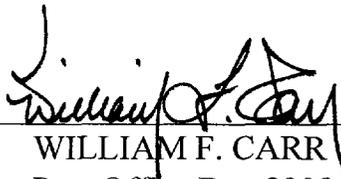
1. Applicant is the operator of the E/2 SW/4 of Section 18, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico and proposes to drill its Diamond "18" Federal No. 6 Well in the Bone Spring formation, Undesignated Red Hills-Bone Spring Pool, 2310 feet from the South line and 1980 feet from the West line in Unit K of said Section 18.
2. Applicant seeks an exception to Rule 4 of the Special Rules and Regulations for the Red Hills-Bone Spring Pool to permit the drilling of said well in the Bone Spring formation at the above-described location.
3. A standard 80-acre spacing and proration unit comprised of the E/2 SW/4 of said Section 18 should be dedicated to the well.

4. Approval of this application will afford Applicant the opportunity to produce its just and equitable share of the oil and gas from the Bone Spring formation and will otherwise be in the best interest of the conservation, the protection of correlative rights and the prevention of waste.

WHEREFORE, Applicant requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on August 24, 1995, and after notice and hearing as required by law, the Division enter its Order granting this application and providing such other relief as is proper.

Respectfully submitted,

CAMPBELL, CARR & BERGE, P.A.

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ATTORNEYS FOR ENRON OIL
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