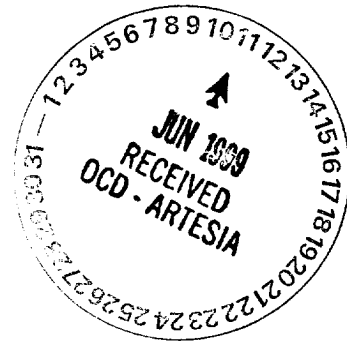




NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

June 7, 1999



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

*Administrative Order NSL-4310*

Dear Mr. Carr:

Reference is made to your application dated June 3, 1999 on behalf of the operator, Enron Oil & Gas Company ("Enron"), for authorization to drill its Conoco "9" State Com. Well No. 1 to test both the Undesignated South Empire-Morrow Gas Pool and the Mississippian formation at an unorthodox gas well location for both intervals 1980 feet from the North line and 1350 feet from the East line (Unit G) of Section 9, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico. The E/2 of Section 9 is to be dedicated to this well in order to form a standard 320-acre gas spacing and proration unit for both intervals.

The 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 Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

Sincerely,



Lori Wrotenbery  
Director

LW/MES/kv

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