

ENRON

Oil & Gas Company

P.O. Box 2267 Midland, Texas 79702 (915) 686-3600

October 22, 1992

CERTIFIED-RETURN RECEIPT

Arco Oil & Gas Company
P. O. Box 1610
Midland, Texas 79702
Attn: J. K. Thompson

RE: Application For Directional Well
James Ranch Unit No. 18
N/2 Section 36, T22S-R30E,
Eddy County, New Mexico
James Ranch Prospect

Gentlemen:

Enron Oil & Gas Company has had to move the location of the captioned well from 1980' FN & EL to 1980 FNL & 1100' FEL of Section 36-T22S-R30E, due to potash objections at the original location. Enron plans to drill this well directionally from this new surface location to the original orthodox bottom hole location of 1980' FN & EL.

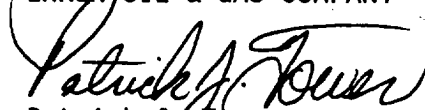
Pursuant to New Mexico Oil Conservation Division Rule 111, Enron Oil & Gas Company plans to file an application for administrative Approval for the directional drilling of the referenced well as set forth above.

If you as an offset operator have no objection to the directional drilling of this well, please sign in the space provided below, and return one (1) copy to my attention in the enclosed envelope.

Your prompt attention is appreciated.

Sincerely,

ENRON OIL & GAS COMPANY


Patrick J. Tower
Project Landman

PJT/cl

DATE: _____

COMPANY: _____

BY: _____