

*Administrative Order DD-71
Enron Oil and Gas Company
November 22, 1992
Page No. 2*

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Enron Oil and Gas Company, is hereby authorized to directionally drill its James Ranch Unit Well No. 18, the surface location of which shall be 1980 feet from the North line and 1100 feet from the East line (Unit H) of Section 36, Township 22 South, Range 30 East, NMPM, Eddy County, New Mexico, by kicking off from the vertical at a depth of approximately 7200 feet, and drilling in such a manner as to bottom in the Undesignated Los Medanos Morrow Gas Pool at a standard gas well location within the SW/4 NE/4 of said Section 36.

PROVIDED HOWEVER THAT prior to commencing directional drilling operations into said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED HOWEVER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Artesia district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Artesia offices of the Division upon completion.

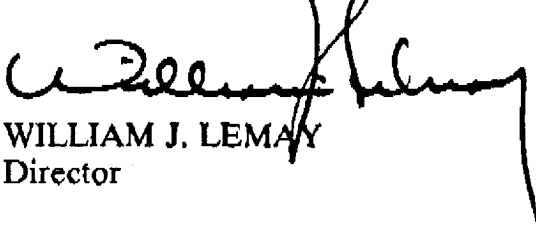
(3) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(4) The N/2 of said Section 36 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for the subject pool.

(5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

WJL/MFS/amg

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