District Office State Lease - 4 copies Fee Lease - 3 copies

State of New Mexico Energ Ainerals, and Natural Resources Dep ment

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DISTRICT I P. O. Box 1980 Hobbs, NM 88240

<u>DISTRICT II</u> P. O. Drawer DD Artesia, NM 88210

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OIL CONSERVATION DIVISION P. O. Box 2088 Santa Fe, New Mexico 87504-2088

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STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

DIL CONSERVATION DIVISION

POST OFFICE BOX 2088

STATE LAND OFFICE BUILDING

SANTA FE, NEW MEXICO 87504

(505) 827-5800

BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

Enron Oil and Gas Company P.O. Box 2267 Midland, TX 79702

Attention: Betty Gildon

Administrative Order DD-71

Dear Ms. Gildon:

Under the provisions of the Division's General Rules and Regulations concerning directional drilling practices [111(c), (d), (c)] and the Special Rules and Regulations for Drilling in the Potash Area, pursuant to Division Order No. R-111-P, Enron Oil and Gas Company made application to the New Mexico Oil Conservation Division on October 27, 1992, for authorization to directionally drill its proposed James Ranch Unit Well No. 18, Eddy County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset oil and gas operators and each potash operator holding potash leases within a radius of one mile of the proposed well have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met; and
- (4) No objections have been received from offset oil and gas operators within the waiting period prescribed by said Rule 111.F.
- (5) A signed waiver from one potash lessee has been submitted by Western Ag-Minerals Company and the other leases have not responded within the required twenty-day period (R-111-P, Rule G.(3)).



November 22, 1992