

3103.4-2 (065)
NM-77048

Enron Oil and Gas Company
Attention: Mr. Patrick J. Tower
P. O. Box 2267
Midland, TX 79702

SEP 27 1993

Re: Well No. 1-Gunnison 34 Federal
NW $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 34, T. 25 S., R. 31 E.
Eddy County, New Mexico
Federal lease NM-77048

Gentlemen:

Hinkle, Cox, Eaton, Coffield, and Hensley's letter dated September 21, 1993, filed on behalf of Enron Oil and Gas Company, requested a suspension of operations and production for lease NM-77048, which embraces the NW $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 10, S $\frac{1}{2}$ sec. 24, N $\frac{1}{2}$ SW $\frac{1}{4}$ sec. 26, E $\frac{1}{2}$ W $\frac{1}{2}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, and SW $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 27, E $\frac{1}{2}$ and NE $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 34, T. 25 S., R. 31 E. The lease has an expiration date of September 30, 1993.

An Application for Permit to Drill (APD) on the subject lease was filed on August 13, 1993 with the Bureau of Land Management, Carlsbad Resource Area office (CRA), to facilitate the drilling of a 9400 foot Delaware oil well.

Due to processing delays with respect to APD's submitted to the CRA office, it is doubtful that you will be able to commence road and well pad construction activities and spud the proposed well prior to the expiration date of the above referenced lease.

Accordingly, pursuant to the provisions of 43 CFR 3103.4-2, approval for suspension of operations only on lease NM-77048 is hereby granted effective September 1, 1993, the first day of the month in which the request for suspension was filed. Since this approval is for suspension of operations only, you are further reminded that the 6th year rental is due to the Minerals Management Service by September 30, 1993.

The suspension of operations shall terminate:

- (a) On the first day of the month in which the operator is notified in writing that the APD is denied;
- (b) On the first day of the month in which actual operations are commenced after the APD has been approved; or
- (c) If operations are not commenced within thirty (30) days from the APD approval date, the suspension will terminate on the first day of the month following the 30 day period.