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OIL CONSERVATION DIVISION
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ENRON
Oil & Gas Company

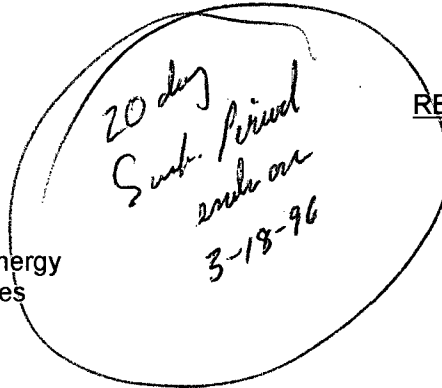
7-185-308

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

February 22, 1996

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

Mr. Michael L. Stogner
Oil Conservation Division
New Mexico Department of Energy
Minerals and Natural Resources
2040 South Pacheco
Santa Fe, New Mexico 87505



Re: Application of Enron oil & Gas Company for
administrative approval of an unorthodox gas
well.

Dear Mr. Stogner:

Enclosed please find the Application of Enron Oil & Gas Company for administrative approval of an Unorthodox Location for the drilling of Enron's Sand Tank "7" Fed. Com. No. 1 as a Morrow gas well.

By separate letter (copy attached) Enron has sent notification via certified return receipt mail to the affected parties by submitting a copy of this application and a plat required by OCD rules. A sworn statement attesting to this notification is hereby enclosed for your files.

Your due consideration to this Application is most appreciated. Should you have any questions, please feel free to call me at 915/686-3758.

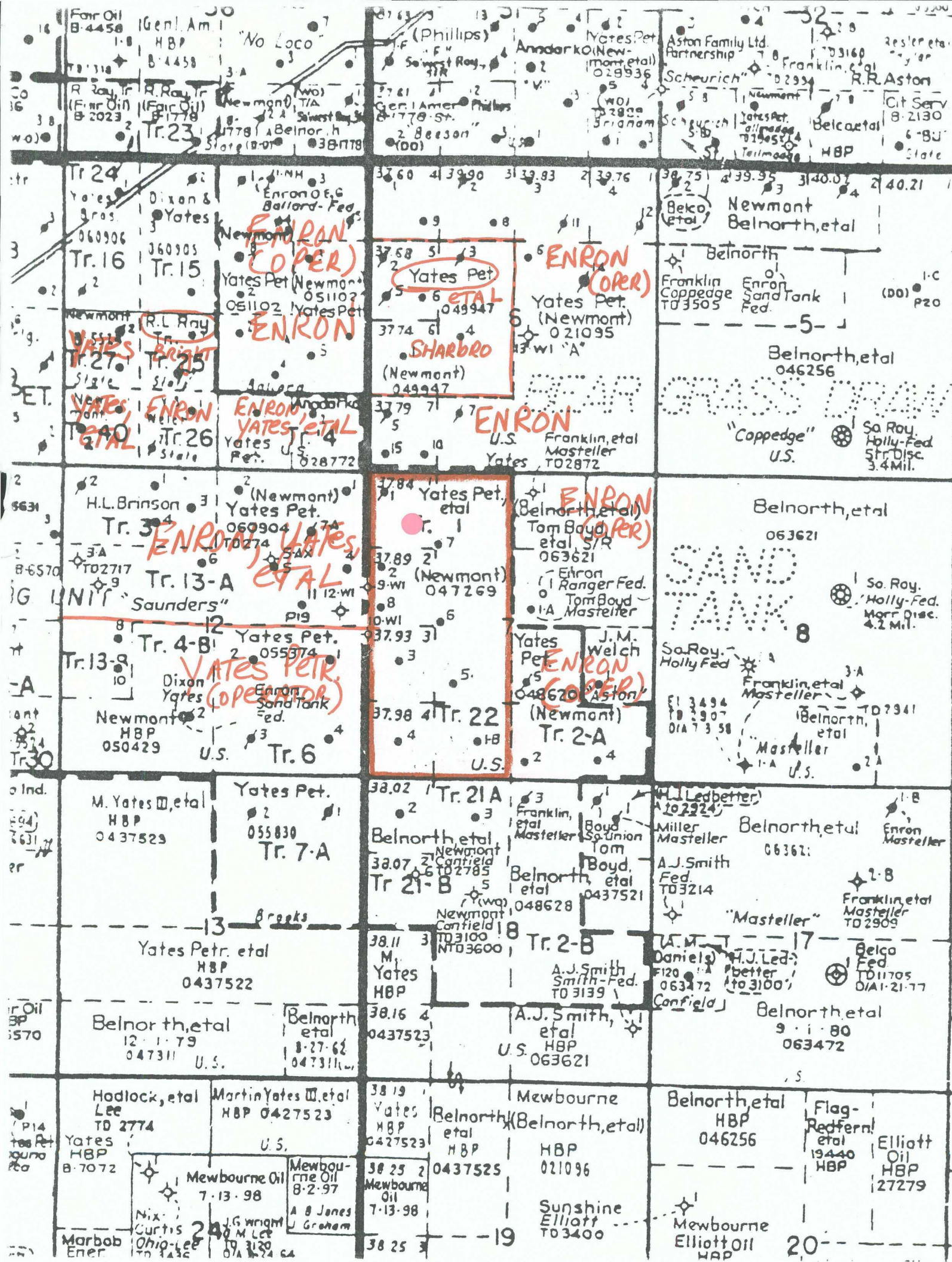
Sincerely,

ENRON OIL & GAS COMPANY

Patrick J. Tower
Project Landman

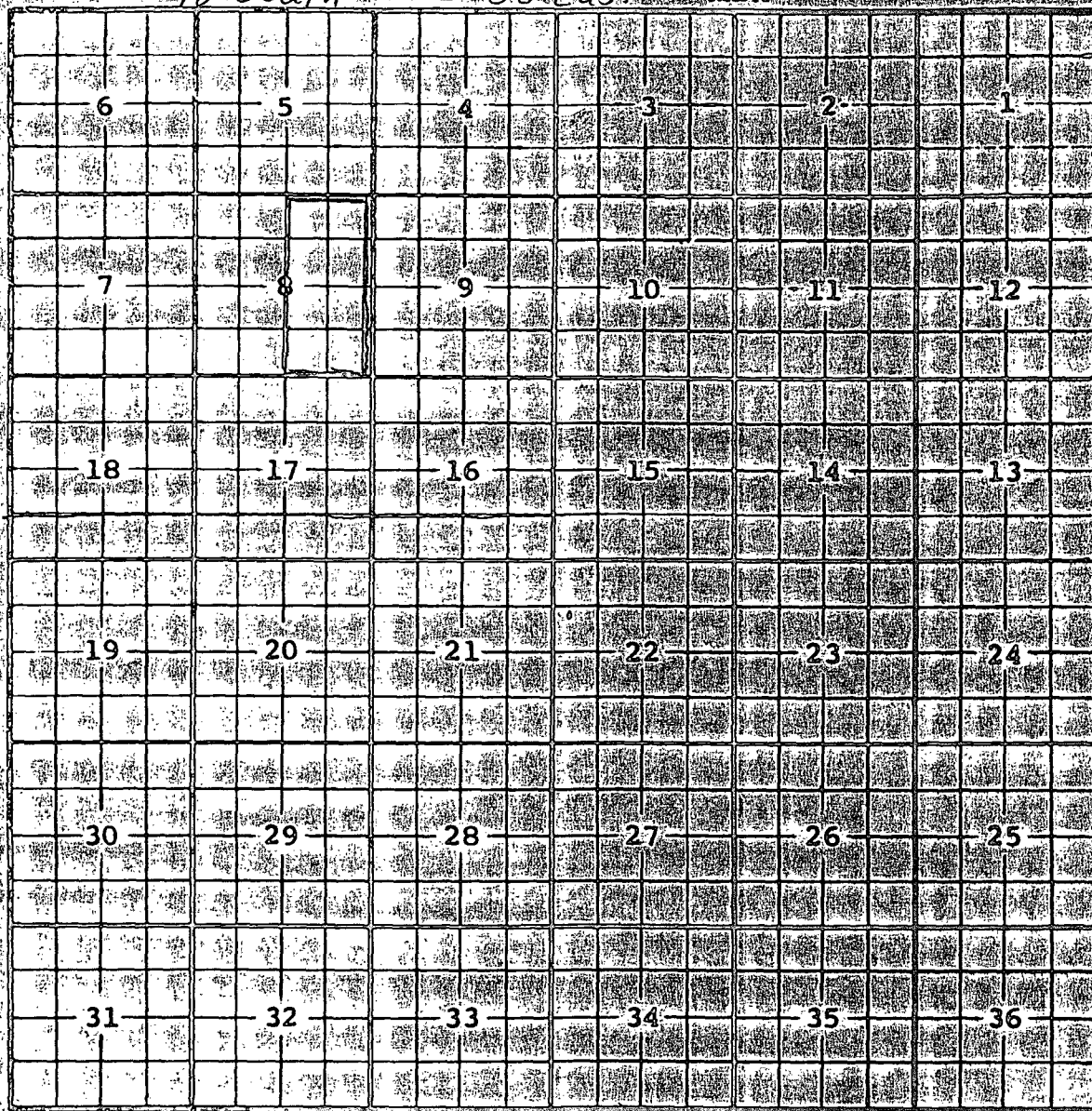
PJT/pcl

Enclosures



COUNTY Eddy POOL Sand Tank Morrow Gas

TOWNSHIP 15 South RANGE 30 East NMPM



Description: 1/2 Sec. 8 (R-7708, 10-25-84)

GEOLOGIC DISCUSSION

Enron Oil & Gas Company is seeking approval for an unorthodox location in the Sand Tank area Eddy County, New Mexico, based on geologic reasons. Enron recently completed the Ranger "7" Federal Com. No. 1 (NE/4 Section 7-18S-30E) as a Morrow gas well in the Sand Tank Field. The proposed unorthodox location for the Sand Tank "7" Federal Com. No. 1 (W/2 proration unit/990' FNL & 990' FWL Section 7) is a northwest offset to Enron's new completion.

Enron's Ranger "7" Federal Com. No. 1 penetrated several sands in the middle Morrow. These clastics are interpreted as a NE-SW trending beach to near-shore system of discontinuous marine sands. The two thinner middle Morrow sands in the Ranger "7" wellbore are gas productive while the thicker third sand is wet based on electric log calculations with an average water saturation of 80% (refer to x-section A-A'). It is this wet sand, referred to as the Ranger sand, that is the basis for the unorthodox location.

The Ranger sand, as identified in the Enron Ranger "7" Federal Com. No. 1 is correlative with wells in the immediate area. Cross section A-A' ties the wet Ranger sand in Enron's well with a stratigraphically equivalent gas bearing sand in the downdip Southland Royalty (Meridian) Holly "8" Federal No. 1. This supports the discontinuous nature of these middle Morrow sands. The Ranger sand was isopached using neutron/density crossover as a basis for net clean sand because this particular sand is characterized by a high gamma ray reading (refer to isopach map). A structure map on top of the Ranger sand was also constructed indicating southeast dip. An estimated gas/water contact for the Ranger sand was placed at -7,713' (refer to structure map) or 20' above the sand top in the Ranger "7" wellbore. Twenty feet is considered reasonable as the sand is wet from top to bottom and no transition zone is indicated. The contact could be less, but it could also be more. The estimated gas/water contact was then overlain on the isopach of that Ranger sand body defined by the Enron, Ranger "7" Federal Com. No. 1 and the Yates Petroleum, Sand Tank APS Federal Com. No. 1 (Section 12-18S-29E); hence defining the productive limits of that sand body. Yates production tested gas from the Ranger sand in their well in Section 12 and the well is currently shut-in waiting on pipeline connection.

Using the estimated gas/water contact of -7,713' places all but one of the orthodox locations for a W/2 proration unit in Section 7 at or below water for the Ranger sand. The remaining orthodox location (1,980' FNL & 660' FWL) above the contact is shown as the open blue circle on the accompanying maps. This location is considered highly risky at best with regards to a sustained water free producing rate and commerciality over the life of the well. Enron believes the proposed unorthodox location will allow the participating parties to effectively recover hydrocarbons under the lease, protect correlative rights and prevent waste.

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

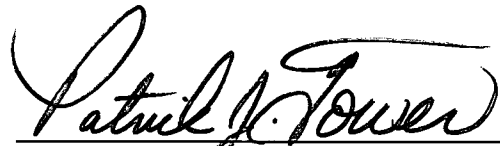
IN THE MATTER OF THE APPLICATION
OF ENRON OIL & GAS COMPANY FOR
ADMINISTRATIVE APPROVAL OF AN
UNORTHODOX WELL LOCATION FOR ITS
SAND TANK "7" FED. COM NO. 1 MORROW
WELL LOCATED 990 FEET FROM THE
NORTH LINE AND 990 FEET FROM THE
WEST LINE OF SECTION 7, TOWNSHIP 18
SOUTH, RANGE 30 EAST,
EDDY COUNTY, NEW MEXICO.

CASE NO. _____

AFFIDAVIT

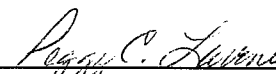
STATE OF TEXAS §
 § ss.
COUNTY OF MIDLAND §

Patrick J. Tower, authorized representative of Enron Oil & Gas Company ("Enron"), the Applicant herein, being first duly sworn, upon oath, states that on or before this application was submitted to the New Mexico Oil Conservation Division, and in accordance with the notice provisions of Division Rule 104, Enron has sent notification to the affected parties by submitting a copy of the application, including a copy of the plat described in Rule 104.F(3) by certified or registered mail, return receipt, in accordance with Rule 1207 (A)(5) advising them that if they have an objection it must be filed in writing within twenty (20) days from the date notice was sent.



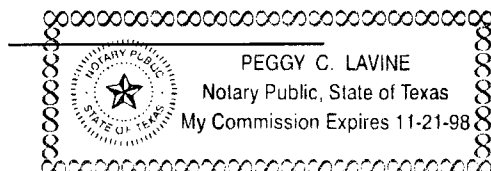
Patrick J. Tower

SUBSCRIBED AND SWORN to before me this 22nd day of February, 1996.



Notary Public

My Commission Expires:



ENRON

Oil & Gas Company

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

February 22, 1997

CERTIFIED MAIL RETURN RECEIPT REQUESTED

ADDRESSEE LIST ATTACHED

Re: Application for Unorthodox
Location Drilling Permit
Sand Tank "7" Fed. Com #1 Well
W/2 of Section 7-18S-30E
Eddy County, New Mexico

Ladies and Gentlemen:

Enron Oil & Gas Company (Enron) proposes the drilling of the captioned test well at a location 990' FNL & 990' FWL of Section 7-18S-30E to a depth sufficient to test the Morrow formation, at an approximate total depth of 11,600'. In this regard, please find a plat showing the subject spacing unit (W/2), its proposed unorthodox well location, and offsetting spacing unit and leases. This well is being drilled at this location in order to move updip from the wet Morrow Sand encountered in Enron's Ranger "7" well in the E/2 of this Section 7.

Enron hereby seeks an exception to the well location requirements of the New Mexico Oil Conservation Division Rule 104.C and has applied pursuant to Division Rule 104F.(2) for administrative approval of an Unorthodox Location Drilling Permit for all formations through the base of the Morrow formation which may be developed on 320 acre proration units.

Enron has determined that the drilling of the proposed test well at the specified location is necessary and prudent in order to recover oil and gas reserves underlying the above referenced Section 7.

If you have no objection to the above location please date and sign the attached Waiver of Objection and return one executed copy to the undersigned in the enclosed self addressed stamped envelope.

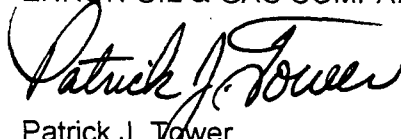
Should you have an objection to Enron's unorthodox location, it must be filed in writing within twenty (20) days from the date of this notice.

Page Two

Should you have any questions regarding the above or wish to discuss this matter further, please do not hesitate to call. Your early and favorable reply will be most appreciated.

Sincerely,

ENRON OIL & GAS COMPANY

A handwritten signature in black ink, reading "Patrick J. Tower". The signature is written in a cursive, flowing style with a large initial "P".

Patrick J. Tower
Project Landman

PJT:jh

Address List
Sand "7" Fed.Com #1
Eddy County, New Mexico

Yates Petroleum Corporation
John A. Yates
Peyton Yates
Richard Yates
S.P. Yates & E. H. 1976 Trust
Marico Exploration, Inc.
Sharbro Oil Ltd. Co.
Martin Yates III Estate
Estate of Lillie M. Yates
105 South Fourth Street
Artesia, NM 88210

Harvey E. Yates Company
P. O. Box 1933
Roswell, NM 88202

Richard L. Ray, Trustee
John Bright & Robert L. Bright
P. O. Box 869
Tyler, TX 75710

Wm. P. Dooley Estate
Paula Dooley, Personal Representative
P. O. Box 270
Artesia, NM 88210

Jalapeno Corporation
P. O. Box 1608
Albuquerque, NM 87103-1608

Cibola Energy Corporation
P. O. Box 1608
Albuquerque, NM 87103-1608

Yates Energy Corporation
P. O. Box 2323
Roswell, NM 88202-2323

Kenneth & Glenn Hendricks Trustees
of Anna Collins Franklin Foundation
Route 5, Box 105
Ardmore, OK 73401

Terence P. Perkins
7501 Lynwood NW,
Albuquerque, NM 87120

Ms. Florence M. Dooley
P. O. Box 125
Artesia, NM 88210

ENRON
Oil & Gas Company

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

February 22, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Sand Tank Prospect
Sand Tank "7" Fed. Com No. 1 Well
Section 7-18S-30E N.M.P.M.
W/2
Eddy County, New Mexico

Gentlemen:

Wm. P. Dooley Estate, Paula Dooley, Personal Representative, as an offset operator or owner of operating rights, has been advised of Enron Oil & Gas Company's intent to drill the above referenced Morrow well at a location of 990' FNL & 990' FWL of Section 7-18S-30E, Eddy County, New Mexico.

This letter is to advise that Wm. P. Dooley Estate, Paula Dooley, Personal Representative, has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

WM. P. DOOLEY ESTATE

Paula Dooley, Personal Representative

ENRON
Oil & Gas Company

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

February 22, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Sand Tank Prospect
Sand Tank "7" Fed. Com No. 1 Well
Section 7-18S-30E N.M.P.M.
W/2
Eddy County, New Mexico

Gentlemen:

Richard L. Ray, Trustee, John Bright & Robert L. Bright, as an offset operator or owner of operating rights, has been advised of Enron Oil & Gas Company's intent to drill the above referenced Morrow well at a location of 990' FNL & 990' FWL of Section 7-18S-30E, Eddy County, New Mexico.

This letter is to advise that Richard L. Ray, Trustee, John Bright & Robert L. Bright, has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

RICHARD L. RAY, TRUSTEE

JOHN BRIGHT

ROBERT L. BRIGHT

ENRON
Oil & Gas Company

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

February 22, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Sand Tank Prospect
Sand Tank "7" Fed. Com No. 1 Well
Section 7-18S-30E N.M.P.M.
W/2
Eddy County, New Mexico

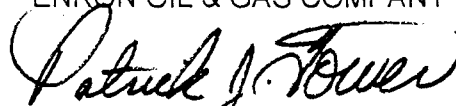
Gentlemen:

Yates Petroleum Corporation, John A. Yates, Peyton Yates, Richard Yates, S.P. Yates & E.H. 1976 Trust, Marico Exploration, Inc., Sharbro Oil Ltd. Co., Martin Yates III Estate, and Estate of Lillie M. Yates, as an offset operator or owner of operating rights, has been advised of Enron Oil & Gas Company's intent to drill the above referenced Morrow well at a location of 990' FNL & 990' FWL of Section 7-18S-30E, Eddy County, New Mexico.

This letter is to advise that Yates Petroleum Corporation, John A. Yates, Peyton Yates, Richard Yates, S.P. Yates & E.H. 1976 Trust, Marico Exploration, Inc., Sharbro Oil Ltd. Co., Martin Yates III Estate, and Estate of Lillie M. Yates has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

Yates Petroleum Corporation
John A. Yates, Peyton Yates,
Richard Yates, S.P. Yates &
E.H. 1976 Trust,
Marico Exploration, Inc.,
Sharbro Oil Ltd. Co.,
Martin Yates III Estate
Estate of Lillie M. Yates
Page Two

YATES PETROLEUM CORPORATION

By: _____
Title: _____
Date: _____

JOHN A. YATES

PEYTON YATES

S. P. YATES & E. H. 1976 TRUST

By: _____
Title: _____
Date: _____

RICHARD YATES

MERICO EXPLORATION, INC.

By: _____
Title: _____
Date: _____

SHARBRO OIL LTD. CO.

By: _____
Title: _____
Date: _____

MARTIN YATES III ESTATE

By: _____
Title: _____
Date: _____

ESTATE OF LILLIE M. YATES

By: _____
Title: _____
Date: _____

ENRON
Oil & Gas Company

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

February 22, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Sand Tank Prospect
Sand Tank "7" Fed. Com No. 1 Well
Section 7-18S-30E N.M.P.M.
W/2
Eddy County, New Mexico

Gentlemen:

Jalapeno Corporation, as an offset operator or owner of operating rights, has been advised of Enron Oil & Gas Company's intent to drill the above referenced Morrow well at a location of 990' FNL & 990' FWL of Section 7-18S-30E, Eddy County, New Mexico.

This letter is to advise that Jalapeno Corporation, has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

JALAPENO CORPORATION

By: _____
Title: _____
Date: _____

ENRON
Oil & Gas Company

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

February 22, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Sand Tank Prospect
Sand Tank "7" Fed. Com No. 1 Well
Section 7-18S-30E N.M.P.M.
W/2
Eddy County, New Mexico

Gentlemen:

Cibola Energy Corporation, as an offset operator or owner of operating rights, has been advised of Enron Oil & Gas Company's intent to drill the above referenced Morrow well at a location of 990' FNL & 990' FWL of Section 7-18S-30E, Eddy County, New Mexico.

This letter is to advise that Cibola Energy Corporation, has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

CIBOLA ENERGY CORPORATION

By: _____
Title: _____
Date: _____

ENRON
Oil & Gas Company

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

February 22, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Sand Tank Prospect
Sand Tank "7" Fed. Com No. 1 Well
Section 7-18S-30E N.M.P.M.
W/2
Eddy County, New Mexico

Gentlemen:

Kenneth & Glenn Hendricks, Trustee's of Anna Collins Franklin Foundation, as an offset operator or owner of operating rights, has been advised of Enron Oil & Gas Company's intent to drill the above referenced Morrow well at a location of 990' FNL & 990' FWL of Section 7-18S-30E, Eddy County, New Mexico.

This letter is to advise that Kenneth & Glenn Hendricks, Trustee's of Anna Collins Franklin Foundation, has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

ANNA COLLINS FRANKLIN FOUNDATION

KENNETH HENDRICKS, TRUSTEE

GLENN HENDRICKS, TRUSTEE

u:\pat\hendrick.doc

ENRON
Oil & Gas Company

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

February 22, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Sand Tank Prospect
Sand Tank "7" Fed. Com No. 1 Well
Section 7-18S-30E N.M.P.M.
W/2
Eddy County, New Mexico

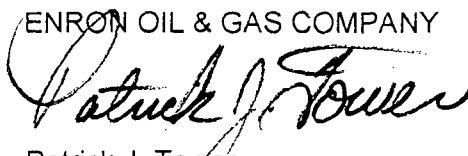
Gentlemen:

Terence P. Perkins, as an offset operator or owner of operating rights, has been advised of Enron Oil & Gas Company's intent to drill the above referenced Morrow well at a location of 990' FNL & 990' FWL of Section 7-18S-30E, Eddy County, New Mexico.

This letter is to advise that Terence P. Perkins, has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

TERENCE P. PERKINS

ENRON
Oil & Gas Company

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

February 22, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Sand Tank Prospect
Sand Tank "7" Fed. Com No. 1 Well
Section 7-18S-30E N.M.P.M.
W/2
Eddy County, New Mexico

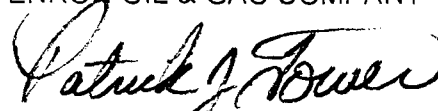
Gentlemen:

Yates Energy Corporation, as an offset operator or owner of operating rights, has been advised of Enron Oil & Gas Company's intent to drill the above referenced Morrow well at a location of 990' FNL & 990' FWL of Section 7-18S-30E, Eddy County, New Mexico.

This letter is to advise that Yates Energy Corporation, has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

YATES ENERGY CORPORATION

By: _____
Title: _____
Date: _____

ENRON
Oil & Gas Company

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

February 22, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Sand Tank Prospect
Sand Tank "7" Fed. Com No. 1 Well
Section 7-18S-30E N.M.P.M.
W/2
Eddy County, New Mexico

Gentlemen:

Ms. Florence M. Dooley, as an offset operator or owner of operating rights, has been advised of Enron Oil & Gas Company's intent to drill the above referenced Morrow well at a location of 990' FNL & 990' FWL of Section 7-18S-30E, Eddy County, New Mexico.

This letter is to advise that Ms. Florence M. Dooley, has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

FLORENCE M. DOOLEY

ENRON
Oil & Gas Company

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

February 22, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Sand Tank Prospect
Sand Tank "7" Fed. Com No. 1 Well
Section 7-18S-30E N.M.P.M.
W/2
Eddy County, New Mexico

Gentlemen:

Harvey E. Yates Company, as an offset operator or owner of operating rights, has been advised of Enron Oil & Gas Company's intent to drill the above referenced Morrow well at a location of 990' FNL & 990' FWL of Section 7-18S-30E, Eddy County, New Mexico.

This letter is to advise that Harvey E. Yates Company, has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

HARVEY E. YATES COMPANY

By: _____
Title: _____
Date: _____

ENRON
Oil & Gas Company

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

March 26, 1996

Mr. Michael L. Stogner
Oil Conservation Division
New Mexico Department of Energy
Minerals and Natural Resources
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: Application for Unorthodox
Location Drilling Permit
Sand Tank Prospect
Sand Tank "7" Fed Com No. 1 Well
W/2 Section 7, T18S, R30E
Eddy County, New Mexico

RECEIVED

MAR 28 1996

Oil Conservation Division

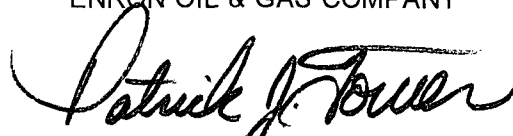
Dear Mr. Stogner:

Enclosed please find original waiver letters executed on behalf of Harvey E. Yates Company, Wm. P. Dooley Estate, Terence P. Perkins and Yates Energy Corporation, as offset operator or owner of operating rights, advising that they have no objection to the granting of a permit to drill at the above location and waive objection and notice of hearing on said Application. Although the other offset parties have not executed and returned waivers, no party has filed any objections to this request.

Should there be any questions concerning this matter, please give me a call at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

PJT/mbs
enclosures

ENRON
Oil & Gas Company

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

February 22, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Sand Tank Prospect
Sand Tank "7" Fed. Com No. 1 Well
Section 7-18S-30E N.M.P.M.
W/2
Eddy County, New Mexico

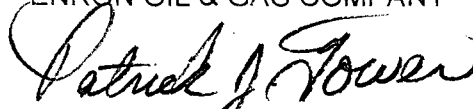
Gentlemen:

Harvey E. Yates Company, as an offset operator or owner of operating rights, has been advised of Enron Oil & Gas Company's intent to drill the above referenced Morrow well at a location of 990' FNL & 990' FWL of Section 7-18S-30E, Eddy County, New Mexico.

This letter is to advise that Harvey E. Yates Company, has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.


Sincerely,

ENRON OIL & GAS COMPANY



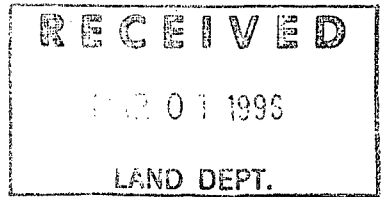
Patrick J. Tower
Project Landman

HARVEY E. YATES COMPANY

By: 
Title: President
Date: March 20, 1996

u:\pat\heyates.doc

ENRON
Oil & Gas Company



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

February 22, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Sand Tank Prospect
Sand Tank "7" Fed. Com No. 1 Well
Section 7-18S-30E N.M.P.M.
W/2
Eddy County, New Mexico

Gentlemen:

Wm. P. Dooley Estate, Paula Dooley, Personal Representative, as an offset operator or owner of operating rights, has been advised of Enron Oil & Gas Company's intent to drill the above referenced Morrow well at a location of 990' FNL & 990' FWL of Section 7-18S-30E, Eddy County, New Mexico.

This letter is to advise that Wm. P. Dooley Estate, Paula Dooley, Personal Representative, has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

ENRON OIL & GAS COMPANY

A handwritten signature in cursive script, reading "Patrick J. Tower".

Patrick J. Tower
Project Landman

WM. P. DOOLEY ESTATE

A handwritten signature in cursive script, reading "Paula Dooley".
Paula Dooley, Personal Representative

ENRON
Oil & Gas Company

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

February 22, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Sand Tank Prospect
Sand Tank "7" Fed. Com No. 1 Well
Section 7-18S-30E N.M.P.M.
W/2
Eddy County, New Mexico

Gentlemen:

Terence P. Perkins, as an offset operator or owner of operating rights, has been advised of Enron Oil & Gas Company's intent to drill the above referenced Morrow well at a location of 990' FNL & 990' FWL of Section 7-18S-30E, Eddy County, New Mexico.

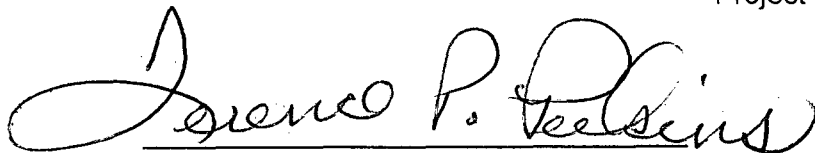
This letter is to advise that Terence P. Perkins, has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

ENRON OIL & GAS COMPANY



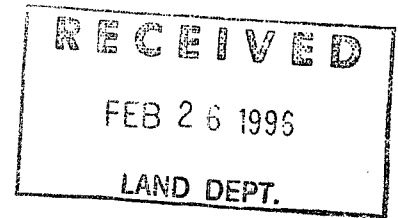
Patrick J. Tower
Project Landman



TERENCE P. PERKINS

ENRON
Oil & Gas Company

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



February 22, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Sand Tank Prospect
Sand Tank "7" Fed. Com No. 1 Well
Section 7-18S-30E N.M.P.M.
W/2
Eddy County, New Mexico

Gentlemen:

Yates Energy Corporation, as an offset operator or owner of operating rights, has been advised of Enron Oil & Gas Company's intent to drill the above referenced Morrow well at a location of 990' FNL & 990' FWL of Section 7-18S-30E, Eddy County, New Mexico.

This letter is to advise that Yates Energy Corporation, has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

ENRON OIL & GAS COMPANY

A handwritten signature in cursive script that reads "Patrick J. Tower".

Patrick J. Tower
Project Landman

YATES ENERGY CORPORATION

By: A handwritten signature in cursive script that reads "Sharon E. Hamilton".

Title: Landman

Date: 2-23-96

ENRON
Oil & Gas Company

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

February 22, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Sand Tank Prospect
Sand Tank "7" Fed. Com No. 1 Well
Section 7-18S-30E N.M.P.M.
W/2
Eddy County, New Mexico

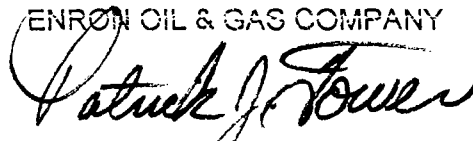
Gentlemen:

Terence P. Perkins, as an offset operator or owner of operating rights, has been advised of Enron Oil & Gas Company's intent to drill the above referenced Morrow well at a location of 990' FNL & 990' FWL of Section 7-18S-30E, Eddy County, New Mexico.

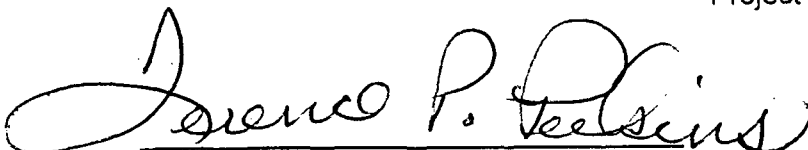
This letter is to advise that Terence P. Perkins, has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

ENRON OIL & GAS COMPANY



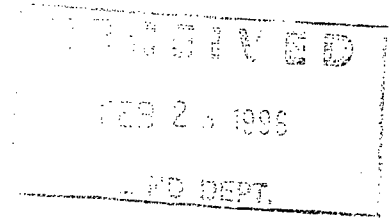
Patrick J. Tower
Project Landman



TERENCE P. PERKINS

ENRON
Oil & Gas Company

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



February 22, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Sand Tank Prospect
Sand Tank "7" Fed. Com No. 1 Well
Section 7-18S-30E N.M.P.M.
W/2
Eddy County, New Mexico

Gentlemen:

Yates Energy Corporation, as an offset operator or owner of operating rights, has been advised of Enron Oil & Gas Company's intent to drill the above referenced Morrow well at a location of 990' FNL & 990' FWL of Section 7-18S-30E, Eddy County, New Mexico.

This letter is to advise that Yates Energy Corporation, has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

ENRON OIL & GAS COMPANY

A handwritten signature in cursive script that reads "Patrick J. Tower".

Patrick J. Tower
Project Landman

YATES ENERGY CORPORATION

By: A handwritten signature in cursive script that reads "Sharon E. Hamilton".
Title: Landman
Date: 2-23-96

ENRON
Oil & Gas Company

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

February 22, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Sand Tank Prospect
Sand Tank "7" Fed. Com No. 1 Well
Section 7-18S-30E N.M.P.M.
W/2
Eddy County, New Mexico

Gentlemen:

Wm. P. Dooley Estate, Paula Dooley, Personal Representative, as an offset operator or owner of operating rights, has been advised of Enron Oil & Gas Company's intent to drill the above referenced Morrow well at a location of 990' FNL & 990' FWL of Section 7-18S-30E, Eddy County, New Mexico.

This letter is to advise that Wm. P. Dooley Estate, Paula Dooley, Personal Representative, has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

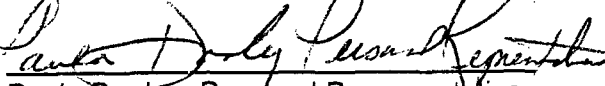
Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

WM. P. DOOLEY ESTATE



Paula Dooley, Personal Representative

ENRON

Oil & Gas Company

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

February 22, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Sand Tank Prospect
Sand Tank "7" Fed. Com No. 1 Well
Section 7-18S-30E N.M.P.M.
W/2
Eddy County, New Mexico

Gentlemen:

Harvey E. Yates Company, as an offset operator or owner of operating rights, has been advised of Enron Oil & Gas Company's intent to drill the above referenced Morrow well at a location of 990' FNL & 990' FWL of Section 7-18S-30E, Eddy County, New Mexico.

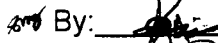
This letter is to advise that Harvey E. Yates Company, has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

ENRON OIL & GAS COMPANY


Patrick J. Toyer
Project Landman

HARVEY E. YATES COMPANY

By: 
Title: President
Date: March 20, 1996

u:\pat\heyates.doc

ENRON
Oil & Gas Company

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

March 26, 1996

Mr. Michael L. Stogner
Oil Conservation Division
New Mexico Department of Energy
Minerals and Natural Resources
2040 South Pacheco
Santa Fe, New Mexico 87505

RECEIVED

MAR 28 1996

RE: Application for Unorthodox
Location Drilling Permit
Sand Tank Prospect
Sand Tank "7" Fed Com No. 1 Well
W/2 Section 7, T18S, R30E
Eddy County, New Mexico

Oil Conservation Division

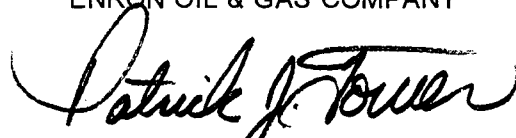
Dear Mr. Stogner:

Enclosed please find original waiver letters executed on behalf of Harvey E. Yates Company, Wm. P. Dooley Estate, Terence P. Perkins and Yates Energy Corporation, as offset operator or owner of operating rights, advising that they have no objection to the granting of a permit to drill at the above location and waive objection and notice of hearing on said Application. Although the other offset parties have not executed and returned waivers, no party has filed any objections to this request.

Should there be any questions concerning this matter, please give me a call at (915) 686-3758.

Sincerely,

ENRON OIL & GAS COMPANY



Patrick J. Tower
Project Landman

PJT/mbs
enclosures

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

04/01/96 13:25:53
OGOMES -EMFJ
PAGE NO: 1

Sec : 07 Twp : 18S Rng : 30E Section Type : NORMAL

1 37.84 <i>77.84</i> Federal owned U A	C 40.00 Federal owned U A	B 40.00 Federal owned	A 40.00 Federal owned
2 37.89 <i>77.89</i> Federal owned U A A A	F 40.00 Federal owned U A	G 40.00 Federal owned A	H 40.00 Federal owned

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

155.73

~~77.84~~

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

04/01/96 13:25:59
OGOMES -EMFJ
PAGE NO: 2

Sec : 07 Twp : 18S Rng : 30E Section Type : NORMAL

3 37.93 Federal owned U A A	K 40.00 Federal owned U	J 40.00 Federal owned U A	I 40.00 Federal owned A
4 37.98 Federal owned U A	N 40.00 Federal owned U	O 40.00 Federal owned U A	P 40.00 Federal owned U

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

111
155.73
155.91

311.64

311.64