



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

June 7, 1999

Enron Oil & Gas Company
c/o Campbell, Carr, Berge & Sheridan, P.A.
P. O. Box 2208
Santa Fe, New Mexico 87504-2208
Attention: William F. Carr

Administrative Order NSL-4309

Dear Mr. Carr:

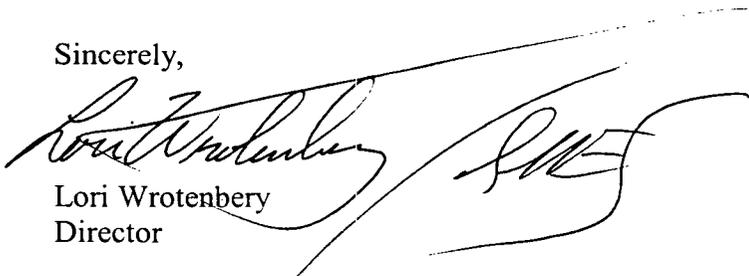
Reference is made to your application dated June 3, 1999 on behalf of the operator, Enron Oil & Gas Company ("Enron"), for authorization to drill its Conoco "8" State Com. Well No. 1 to test both the South Empire-Morrow Gas Pool and the Mississippian formation at an unorthodox gas well location for both intervals 1650 feet from the South line and 1550 feet from the East line (Unit J) of Section 8, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico. The E/2 of Section 8 is to be dedicated to this well in order to form a standard 320-acre gas spacing and proration unit for both intervals.

The application has been duly filed under the provisions of Rule 104.F of the Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

Sincerely,



Lori Wrottenbery
Director

LW/MES/kv

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