

Department of Energy

Albuquerque Operations Office Waste Isolation Pilot Plant Project Office P. O. Box 3090 Carlsbad, New Mexico 88221

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Mr. M. Williams District Supervisor New Mexico Oil Conservation Division Artesia District Office P. O. Drawer D.D. Artesia, NM 88211

Dear Mr. Williams:

The Application for Permit to Drill for Enron Oil and Gas Company, James Ranch Unit Number 16 well within Section 36, Township 22 South, Range 30 East, Eddy County, New Mexico has been reviewed. The proposed location of this well does not encroach into the Waste Isolation Pilot Plant (WIPP) 16 section land withdrawal area. On this basis, we have no objections to the drilling of this well.

The approval to drill this well should stipulate that Enron Oil and Gas Company submit a set of daily drilling logs or suite of drilling logs to the Department of Energy (DOE) to verify that any horizontal displacement of the drill hole towards the withdrawal area does not exceed the enclosed values. If these values are exceeded, a trespass condition will exist and the driller will be required to stop all drilling and plug and seal the area of trespass, in accordance with the applicable regulations, prior to proceeding with the well.

Sincerely,

WArlen Hunt WIPP Project Site Manager

Enclosure