

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

July 1, 1991

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SANTA FE, NEW MEXICO 87504
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Hal J. Rasmussen Operating, Inc.
Six Desta Drive
Suite 2700
Midland, Texas 79705

Attention: Jay Cherski

Administrative Order NSL-2722-B(SD)

Dear Mr. Cherski:

Reference is made to your application dated October 3, 1990 for an unorthodox Jalmat gas well location in an existing non-standard 480-acre gas spacing and proration unit (GPU) for said Jalmat Gas Pool comprising the W/2 and SE/4 of Section 24, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order No. R-9073, dated December 14, 1989 (Paragraph No. (17) of Exhibit "A") and had dedicated thereon the State "A" A/C-1 Well Nos. 24, 25, 32, and 53 located, respectively, in Units N, F, J and E of said Section 24 to this proration unit.

By Division Administrative Orders NSL-2722 and NSL-2722-A, dated December 6, 1989 and January 26, 1990, respectively, three more wells, the State "A" A/C-1 Well Nos. 50, 52, and 107, located at unorthodox gas well locations in Units O, K, and L, respectively, of said Section 24 were approved for the subject GPU. Authorization was also given in said administrative orders to simultaneously dedicate Jalmat Gas production from the State "A" A/C-1 Well Nos. 24, 25, 32, 50, 52, 53, and 107 to the subject GPU.

Subsequent to the issuance of said Administrative Order NSL-2722-A, an additional well was completed in the subject GPU, the State "A" A/C-1 Well No. 126 located at a standard gas well location for this particular sized proration unit in Unit C of said Section 24.

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It is our understanding that the subject well in this application is temporarily abandoned in the Langlie-Mattix Pool, however, said well will be plugged back to the Jalmat Gas Pool upon issuance of this order.

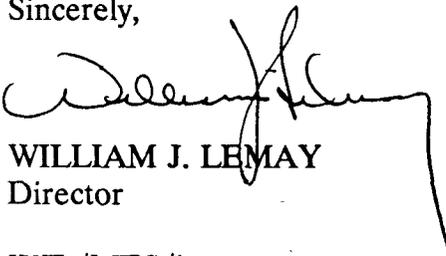
By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described well located at an unorthodox gas well location in said Section 24 is hereby approved:

State "A" A/C-1 Well No. 54
1980' FSL & 660' FEL (Unit I)

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the State "A" A/C-1 Well No. 54 and 126 with the State "A" A/C-1 Well Nos. 24, 25, 32, 50, 52, 53, and 107; furthermore, you are hereby permitted to produce the allowable assigned the GPU from all of the said wells in any proportion.

All provisions of Division Administrative Order NSL-2722, dated December 6, 1989, Order NSL-2722-A, dated January 26, 1990, and those provisions applicable to the subject GPU in Division Order No. R-9073 (Paragraph No. (17) of Exhibit "A") shall remain in full force and effect until further notice.

Sincerely,



WILLIAM J. LEMAY
Director

WJL/MES/joc

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe
File: Case No. 9775
NSL-2722