

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION



July 6, 1995

**Prime Operating Company
North Park Executive Center
731 Wadley Avenue - Suite L-220
Midland, Texas 79705-5351**

Attention: Runell A. Seale

Administrative Order NSP-1056-A(L)(SD)

Dear Ms. Seale:

Reference is made to your applications dated February 28 and May 15, 1995 for a 240-acre non-standard gas spacing and proration unit ("GPU") consisting of the following acreage in the Jalmat Gas Pool:

**LEA COUNTY, NEW MEXICO
TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM
Section 1: S/2 NE/4 and SE/4**

It is my understanding that this unit is to be simultaneously dedicated to the existing Wells "B-1" Well No. 4 (API No. 30-025-25532), located at a standard gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 1 and to the newly drilled Wells "B-1" Well No. 7 (API No. 30-025-32756), located at an unorthodox gas well location 1930 feet from the North line and 1780 feet from the East line (Unit G) of said Section 1.

By authority granted me under the provisions of Rule 2(a)4 and 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool as promulgated by Division Order No. R-8170, as amended, the above-described 240-acre non-standard gas spacing and proration unit and unorthodox gas well location for the Wells "B-1" Well No. 7 are hereby approved. Also, you are hereby permitted to produce the allowable assigned the subject GPU, in accordance with Rule 5 of said pool rules based upon a unit size of 240 acres, from both wells in any proportion.

VILLAGRA BUILDING - 408 Galisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

Oil Conservation
827-7131

Administrative Order NSP-1056-A(L)(SD)

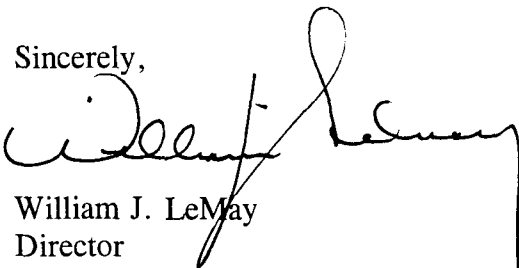
Prime Operating Company

July 6, 1995

Page 2

Division Administrative Order NSP-1056, dated August 17, 1977, which created the existing 160-acre non-standard gas spacing and proration unit comprising the SE/4 of said Section 1, currently dedicated to the Wells "B-1" Well No. 4 , shall be placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
File: NSP-1056