



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 24, 1996

Conoco, Inc.
10 Desta Drive - Suite 100W
Midland, Texas 79705-4500
Attention: Jerry W. Hoover

Administrative Order NSP-1756(SD)

Dear Mr. Hoover:

Reference is made to your application dated April 1, 1996 for an 80-acre non-standard gas spacing and proration unit ("GPU") consisting of the following acreage in the Jalmat Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 12: S/2 SW/4

It is my understanding that this unit is to be simultaneously dedicated to the existing Stevens "B" Well Nos. 4 (API No. 30-025-09326) and 5 (API No. 30-025-09327), located at standard gas well locations for the proposed 80-acre GPU 660 feet from the South and West lines (Unit M) of said Section 12 and 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 12, respectively.

Furthermore, it is our understanding that both the Steven "B" Well Nos. 4 and 5 are currently completed in the Langlie-Mattix Pool and upon issuance of this order will be recompleted up-hole into the Jalmat Gas Pool.

By authority granted me under the provisions of **Rule 2(d)** of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended, the above-described 80-acre non-standard gas spacing and proration unit is hereby approved. Also, Conoco is hereby permitted to produce the

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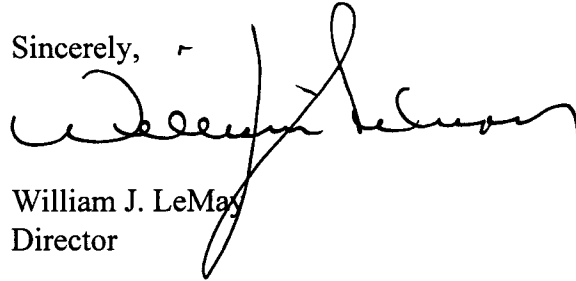
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allowable assigned the subject GPU, in accordance with **Rule 5** of said pool rules based upon a unit size of 80 acres, from both wells in any proportion.

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
W. Thomas Kellahin - Santa Fe