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November 12, 1991

Chevron USA, Inc.
P.O. Box 1150
Midland, Texas 79702

Attention: A.W. Bohling

Administrative Order NSL-2994-A(SD)

Dear Mr. Bohling:

Reference is made to your application dated October 7, 1991 for an unorthodox Jalmat gas well location in an existing non-standard 480.29-acre gas spacing and proration unit (GPU) for said Jalmat Gas Pool comprising Lots 1 and 2, S/2 NE/4 and S/2 of Section 3, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Administrative Order NSP-68, dated December 31, 1954 and had dedicated thereon the Harry Leonard NCT-D Well No. 3 located in Unit K of said Section 3.

By Division Administrative Order NSL-2994(SD), dated March 8, 1991, an additional well, the Harry Leonard NCT-D Well No. 16 located at an unorthodox gas well location in Unit O of said Section 3 was approved for the subject GPU.

It is our understanding that the subject well in this application is to be recompleted from the South Eunice Pool.

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 is hereby approved:

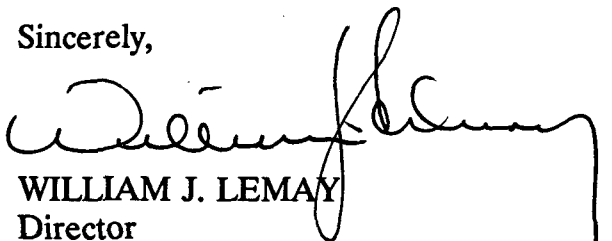Harry Leonard NCT-D Well No. 4
1980' FSL - 660' FEL (Unit K)

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30-025-08755

Also, you are hereby to simultaneously dedicate Jalmat Gas production from the Harry Leonard NCT-D Well No. 4 with the Harry Leonard NCT-D Well Nos. 3 and 16. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from both said wells in any proportion.

Sincerely,

WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Hobbs
     NMSLO - Santa Fe