



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

September 17, 1991

Meridian Oil, Inc.
P.O. Box 51810
Midland, Texas 79710-1810

Attention: Maria L. Perez

Administrative Order NSL-3049(SD)

Dear Ms. Perez:

Reference is made to your application dated August 17, 1991 for an unorthodox Jalmat gas well location in an existing non-standard 167.50-acre gas spacing and proration unit (GPU) for said Jalmat Gas Pool comprising Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) of Section 1, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order No. R-4357, dated August 7, 1972 and presently has dedicated thereon the Emery King NW Well Nos. 1 and 4 located in Units E and F respectively of said Section 1.

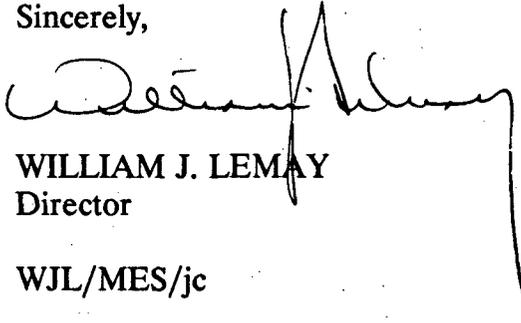
It is our understanding that the subject well to be considered at this time is a shut-in oil well in the Langlie Mattix Pool; however, said well will be plugged back and recompleted to the Jalmat Gas Pool upon issuance of this Order.

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 above described unorthodox gas well location is hereby approved:

Emery King NW Well No. 2
330' FNL - 660' FWL (Unit D)

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the Emery King NW Well No. 2 with the Emery King NW Well Nos. 1 and 4. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all of said well in any proportion.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Lemay". The signature is written in a cursive style with a large, prominent initial "W".

WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Hobbs