



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



BRUCE KING
GOVERNOR

September 30, 1992

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

ANITA LOCKWOOD
CABINET SECRETARY

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

Attention: Roxann Scholz

Administrative Order NSL-3169(SD)

Dear Ms. Scholz:

Reference is made to your application dated July 24, 1992 for an unorthodox Jalmat gas well location in an existing non-standard 160-acre gas spacing and proration unit (GPU) for said Jalmat Gas Pool comprising the SE/4 of Section 31, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division R-520, dated August 12, 1954 and presently has dedicated thereon the Legal Well Nos. 2 and 5 located in Units I and P, respectively of said Section 31.

It is my understanding that the subject well in this application is temporarily abandoned in the Seven Rivers interval of the Jalmat Oil Pool and upon issuance of this order will be recompleted up hole in the Yates formation of the Jalmat Gas Pool.

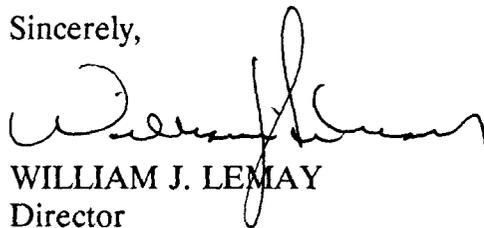
By the authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described well located at an unorthodox gas well location is hereby approved.

Legal Well No. 3
330' FSL - 1980' FEL (Unit O)
of said Section 31

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Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the Legal Well No. 3 with the Legal Well Nos. 2 and 5. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all wells in any proportion.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over a horizontal line. A vertical line extends downwards from the end of the signature, crossing the horizontal line.

WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Hobbs
File: NSL-1721