

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



OIL CONSERVATION DIVISION



January 26, 1995

Conoco, Inc.
10 Desta Drive - Suite 100W
Midland, Texas 79705-4500

Attention: Jerry Hoover

Administrative Order NSL-3473(SD)

Dear Mr. Hoover:

Reference is made to your application dated August 12, 1994, for a non-standard Jalmat gas well location in an existing non-standard 319.60-acre gas spacing and proration unit ("GPU") for said Jalmat Gas Pool comprising Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of Section 1, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order No. R-2988, dated October 27, 1965, and had dedicated thereon the Vaughn "B-1" Well No. 1 (API No. 30-025-09487), located at a standard gas well location 1650 feet from the North line and 990 feet from the East line (Unit H) of said Section 1.

By Division Order No. R-4909, dated November 12, 1974, an additional well to be drilled and completed in the subject GPU was approved for the Vaughn "B-1" Well No. 6 (API No. 30-025-24844), located at an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 1.

It is our understanding that the subject well to be considered in this application is currently a producing Langlie-Mattix oil well and upon issuance of this order will be recompleted up-hole into the Jalmat Gas Pool.

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

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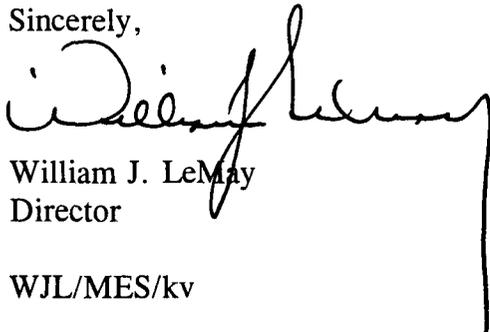
By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described well located at an unorthodox Jalmat gas well location is hereby approved:

*Vaughn "B-1" Well No. 5
660' FN & WL (Lot No. 4/Unit D) of said Section 1
API No. 30-025-21656*

Also, you are hereby authorized to simultaneously dedicate Jalmat gas production from the Vaughn "B-1" No. 5 with the two existing Vaughn "B-1" Well Nos. 1 and 6. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all three wells in any proportion.

All provisions of said Division Order Nos. R-2988 and R-4909 shall remain in full force and effect until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

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