June 22, 1755

Schermerhorn Oil Corporation P. O. Box 1537 Hobbs, New Mexico

Attention: Mr. J. M. Moore

Administrative Order NSP-155

Gentlemen:

Reference is made to your application for approval of a 160-acre nonstandard gas proration unit in the Jalmat Gas Pool consisting of the following acreage:

Township 22 South, Range 35 East, NMPM SE/4 of Section 24

Commo Sehral

It is understood that this unit is to be ascribed to your Amerada-State Well No. 1, located 1980 feet from the South line and 660 feet from the East line of Section 24. Township 22 South, Range 35 East, NMPM, Les County, New Mexico.

By authority granted me under provisions of Rule 5, Section (b)-6 of the Special Rules and Regulations for the Jaimet Gas Pool, as set forth in Order R-520, you are hereby authorised to operate the above described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with pool rules, based upon the unit size of 160 acres. This order is valid only if the Jaimet vertical interval open in this well is not productive of oil; and pending further action of the Commission.

Very truly yours.

W. B. Macey Secretary-Director

WBMijh

cc: Oil Conservation Comm., Hobbs

N. M. Oil and Gas Engineering Comm., Hobbs