



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

September 26, 1996

Permian Resources Incorporated
P.O. Box 590
Midland, Texas 79702-0590
Attention: Robert Marshall

Administrative Order SD-96-12

Dear Mr. Marshall:

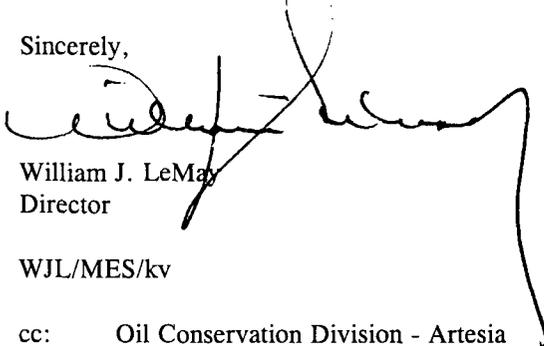
Reference is made to your letter dated September 12, 1996, whereby the Division recognizes the simultaneous dedication of West Sawyer-San Andres Pool production within Section 27, Township 9 South, Range 37 East, NMPM, Lea County, New Mexico:

(a) to the established 80-acre standard oil spacing and proration unit comprising the W/2 NE/4 of said Section 27, from the existing U.S.M. Well No. 1 (API No. 30-025-24327) located at a standard oil well location 660 feet from the North line and 1980 feet from the East line (Unit B) of said Section 27 and to the existing U.S.M. Well No. 4 (API No. 30-025-24834) located at a standard oil well location 1980 feet from the North line and 2180 feet from the East line (Unit G) of said Section 27; and,

(b) to the established 80-acre standard oil spacing and proration unit comprising the E/2 NW/4 of said Section 27, from the existing T.P. Well No. 2 (API No. 30-025-24835) located at a standard oil well location 860 feet from the North line and 1980 feet from the West line (Unit C) of said Section 27 and to the existing T.P. Well No. 1 (API No. 30-025-24278) located at a standard oil well location 1980 feet from the North and West lines (Unit F) of said Section 27.

Further, Permian Resources Incorporated is permitted to produce the allowable assigned both of the subject 80-acre units from both its respective wells in any proportion.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Roswell