



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

December 4, 1998

Gruy Petroleum Management Company
P. O. Box 140907
Irving, Texas 75014-0907
Attention: Zeno Farris

Administrative Order NSP-1035-A

Dear Mr. Farris:

Reference is made to your application dated November 10, 1998 to essentially reinstate a previously approved non-standard 159.90-acre gas spacing and proration unit ("GPU") in the Jalmat Gas Pool comprising Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) of Section 2, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico.

By Division Administrative Order NSP-1035, dated November 24, 1976 this 159.90-acre GPU was initially established by the Division for Doyle Hartman, Oil Operator, and was dedicated to its Citgo "AS" State Well No. 1 (API No. 30-025-25338), located at a standard gas well location 660 feet from the North line and 1980 feet from the West line (Lot 3/Unit C) of Section 2. This well ceased producing in 1980 and was plugged and abandoned in 1993.

It is our understanding at this time that Gruy Petroleum Management Company ("Gruy") intends to re-enter another plugged and abandoned well, also located within the NW/4 equivalent of Section 2, in order to re-establish Jalmat gas production from the NW/4 equivalent of Section 2. The Cities Services Oil Company State "X" Well No. 1 (API No. 30-025-09498), located at a standard gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 2 was initially drilled to a total depth of 3,869 feet in 1949 to test the Langlie-Mattix Pool for oil production. That same year the well was plugged and abandoned.

The subject application has been duly filed under the provisions of Rule 104.F of the Rules and Regulations of the New Mexico Oil Conservation Division.

By the authority granted me under the provisions of **Rule 2(d)** of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Jalmat Gas Pool*," as promulgated by Division Order No. R-8170, as amended, and Division General Rule 104.F(2) the above-described 159.90-acre non-standard gas spacing and proration unit is hereby approved. Further, Gruy is permitted to produce the allowable assigned this 159.90-acre non-standard gas spacing and proration unit in accordance with Rule 5 of the Jalmat special pool rules from the State "X" Well No. 1.

Further, Division Administrative Order No. NSP-1035 is hereby placed in abeyance until further notice.

Sincerely,

Lori Wrotenberg
Director

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSP-1035