



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

March 11, 1996

Prime Operating Company
North Park Executive Center
731 Wadley Avenue - Suite L-220
Midland, Texas 79705-5351

Attention: Runell A. Seale

Administrative Order NSP-1056-B(L)

Dear Ms. Seale:

Reference is made to your application dated February 5, 1996 to reduce the acreage of the existing 240-acre non-standard gas spacing and proration unit ("GPU") in the Jalmat Gas Pool comprising the S/2 NE/4 and SE/4 of Section 1, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, which was approved by Division Administrative Order NSP-1056-A(L)(SD), dated July 6, 1995, by omitting the 40 acres comprising the NE/4 SE/4 (Unit I) of said Section 1 from said GPU. Said Order NSP-1056-A(L)(SD) further authorized the simultaneous dedication of the 240-acre unit to the Well "B-1" Well No. 4 (API No. 30-025-25532), located at a standard gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 1 and the Well "B-1" Well No. 7 (API No. 30-025-32756), located at an unorthodox gas well location 1930 feet from the North line and 1780 feet from the East line (Unit G) of said Section 1.

It is our understanding that such reduction of acreage is necessary due to the re-classification of the Wells "B-1" Well No. 4 as a Jalmat oil completion.

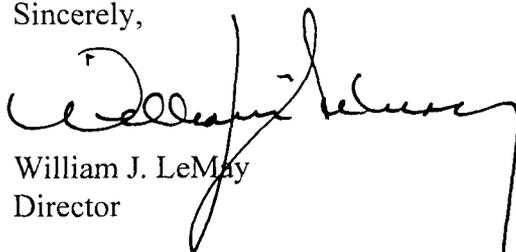
By authority granted me under the provisions of Rule 2(d) of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended, the following described 200-acre non-standard gas spacing and proration unit is hereby approved:

LEA COUNTY, NEW MEXICO
TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM
Section 1: S/2 NE/4, W/2 SE/4, and SE/4 SE/4

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Authorization of said Wells "B-1" Well No. 7, as an unorthodox gas well location in the Jalmat Gas Pool approved by said Order NSP-1056-A(L)(SD), is hereby continued under the provisions of this order; however, all other provisions of said order shall be placed in abeyance until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
US Bureau of Land Management - Carlsbad
File: NSP-1056
NSP-1056-A(L)(SD)