

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

December 10, 1991

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Samedan Oil Corporation
10 Desta Drive
Suite 240 East
Midland, Texas 79705

Attention: Judy Thorneberry

Administrative Order NSP-1641(L)

Dear Ms. Thorneberry:

Reference is made to your application dated November 18, 1991 for an 80-acre non-standard gas spacing and proration unit consisting of the following acreage in the Jalmat Gas Pool:

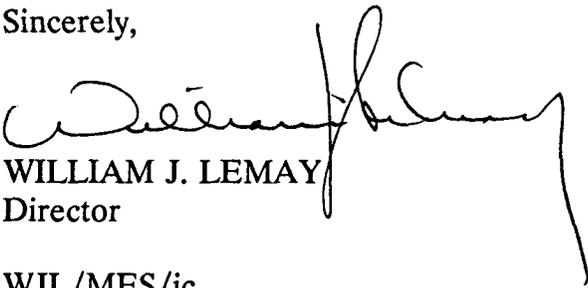
LEA COUNTY, NEW MEXICO
TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 17: E/2 NW/4

It is our understanding that this unit is to be dedicated to your existing Langlie - Mattix "B-4" Penrose (Queen) Unit Well No. 8 (formerly the Hughes "B-4" Well No. 8) which was drilled in 1955 and completed in the Langlie - Mattix Pool at a standard oil well location 1980 feet from the North line and 1800 feet from the West line (Unit F) of said Section 17. We further understand that the existing Queen interval will be properly plugged back and said well will be recompleted to the Jalmat Gas Pool, which pursuant to the Special Rules and Regulations for the Jalmat Gas Pool as promulgated by Division Order No. R-8170, as amended, is unorthodox.

Samedan Oil Corporation
Administrative Order NSP-1641(L)
Page 2

By authority granted me under the provisions of Rule 2(a)9 and 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, the above-described non-standard gas proration unit and resulting unorthodox gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. Lemay', written over the typed name and title.

WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Hobbs
U.S. BLM - Carlsbad