



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

November 22, 1999

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

Telefax No. (972) 443-6450

Administrative Order SD-99-16

Dear Mr. Farris:

Reference is made to your letter dated November 2, 1999. Gruy Petroleum Management Company ("Gruy") is hereby authorized to simultaneously dedicate gas production from the Jalmat Gas Pool to the previously approved non-standard 160-acre gas spacing and proration unit ("GPU") comprising the SW/4 of Section 3, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico (approved by Division Administrative Order NSP-1642, dated January 8, 1992) from the: (i) existing Cagle "C" Well No. 4 (API No. 30-025-31324) located at a standard gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 3; and (ii) proposed Cagle "C" Well No. 5 (API No. 30-025-34450) to be drilled at a standard gas well location 990 feet from the South line and 1980 feet from the West line (Unit N) of Section 3.

Gruy is hereby authorized to simultaneously dedicate Jalmat gas production from the proposed Cagle "C" Well No. 5 with the existing Cagle "C" Well No. 4. Furthermore, Gruy is hereby permitted to produce the allowable assigned the subject 160-acre GPU from both wells in any proportion

Further, all provisions of Division Administrative Order NSP-1642 shall remain in full force and affect until further notice.

Sincerely,

Lori Wrottenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
File: NSP-1642 /