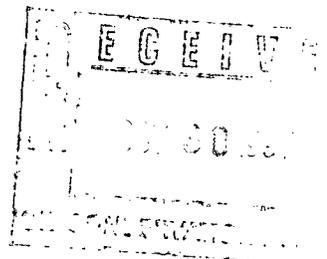


October 28, 1997

New Mexico Oil Conservation Commission
2040 S. Pacecho Street
Santa Fe, NM 87505



ATTN: Mr. Michael Stogner

RE: Special Order Request
Non Standard Proration Unit
North Half of the Southeast Quarter (N/2 SE/4)
Section 22, T25S, R37 E,
Jalmat Gas Pool
Lea County, New Mexico

Dear Mr. Stogner:

This letter will supplement our original letter dated October 16, 1997, and our telephone conversation on October 21, 1997 concerning the above captioned request.

Permian Resources, Inc. ("Permian") is the operator of the following well which currently produces out of the Langlie Mattix Queen zone:

Harrison #3, 1650' FSL, 1650' FWL
Section 22, Township 25 South, Range 37 East,
Lea County, New Mexico
Perforations/Production: 3275-3377/ Langlie Mattix Pool
Completed 9/15/38

This current Langlie Mattix zone has become marginal to operate. The company has identified potential gas pay in the upper Yates-Seven Rivers zones and would like to re-complete from that zone. This recompletion will require a new pool classification to the Jalmat Gas Pool, an unorthodox location exception, and a non-conforming acreage/spacing order.

Jalmat Gas Pool rules call for a 640-acre proration unit. Permian is asking the Oil Conservation Commission to amend that rule for a Non-Standard Proration Unit to encompass the 80 acres it owns as highlighted on the accompanying C-102. That proration unit will encompass the acreage below.

North Half of Southeast Quarter (N/2 SE/4) of Section 22,
Township 25 South, Range 37 East,
Lea County, New Mexico

As indicated on my previous correspondence we have notified all current active Jalmat Gas Pool operators in the surrounding contiguous sections and included a list for your review.

There are 4 active Jalmat Gas Pool operators in Section 22. These are listed below with their OCD numbers:

1. Prime Operating #1(F) Mobil, 1980' FNL, 2180' FWL,
NSP-R-8254 for 150 Acres, E/2 NW/4, NW/4 NE/4, and W/30 acres NE/4 NE/4
Perforations 2805-2965
2. F&M Oil & Gas #2(N) Carlson Federal, 990' FSL, 2310' FWL,
NSP-1297 for 80 acres, W/2 SW/4
Perforations: 2822-2970
3. Prime Operating #1(D) Lanehart, 660' FWL, 660' FNL,
NSL-2340 for 160 acres, W/2 NW/4 of Section 22 and E/2 NE/4 Section 21.
Perforations: 2900-3040
4. Burlington #1(L) Carlson Federal, 1980' FSL, 660' FWL
200 acres, No Orders Found, W/2 SW/4 of Section 22, Units D, E, and F of Section 27
Perforations: 2822-2940

Burlington #2(L) Carlson Federal, 1650' FSL, 660' FWL
200 acres, No Orders Found, W/2 SW/4 of Section 22, Units D, E, and F of Section 27.
Perforations: 2885-3267

All dedicated acreage is shown on the Form C-102 plat as reflected in a recent record check at the Hobbs District office done on October 24, 1997. As you can see there have been 2 Non-Standard Prorations Units in Section 22.

All Jalmat Gas Pool field operators that are contiguous to Section 22 have been notified in writing of this request. A list is provided for your review.

We appreciate your timely review of this matter since we would like to begin work on this well to satisfy time and work commitments which have been submitted to the BLM and OCD.

If you have any questions please feel free to call.

Sincerely,



Robert Marshall
Vice President

cc: Mr. Chris Williams
NM OCD
Hobbs, NM

LISTING OF ACTIVE OFFSET OPERATORS
JALMAT GAS FIELD
Permian Resources, Inc.
Township 25 South, Range 37 East
Lea County, New Mexico
9 Section Area Around Section 22

Saba Energy Inc.
1603 S.E. 19th Street
Suite 202
Oklahoma City, OK 73013

Westbrook Oil Company
P.O. Box 2264
Hobbs, NM 88240

Burlington Resources Oil & Gas
801 Cherry Street
Suite 200
Fort Worth, TX 76102-6842

Prime Operating Co.
3300 North A Street
Bldg. One
Suite 238
Midland, TX 79705

F&M Oil & Gas Co.
Box 891
Midland, TX 79702

ARCO Permian
Box 1710
Hobbs, NM 88240

District I
 PO Box 1960, Hobbs, NM 88241-1960
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-11699		² Pool Code 37240		³ Pool Name JALMAT (TANSILL YATES SEVEN RIVERS)	
⁴ Property Code 17197		⁵ Property Name HARRISON			⁶ Well Number #3
⁷ OGRID No. 025797		⁸ Operator Name PERMIAN RESOURCES, INC., DBA PERMIAN PARTNERS, INC			⁹ Elevation 3377'

¹⁰ Surface Location

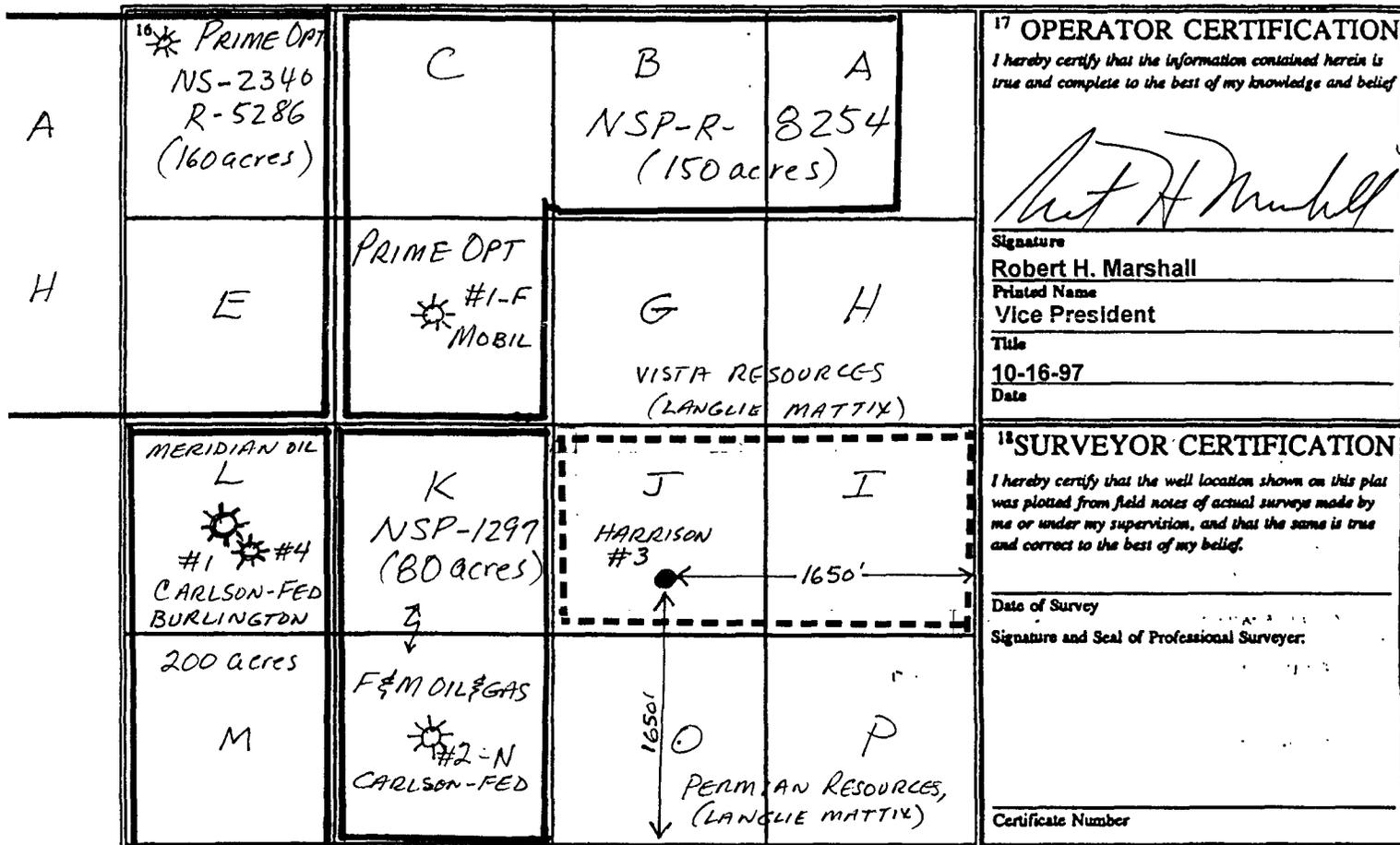
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
J	22	25 S	37 E		1650	SOUTH	1650	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 120	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Robert H. Marshall
 Signature

Robert H. Marshall
 Printed Name
 Vice President
 Title

10-16-97
 Date

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number