

NSP 2/16/98

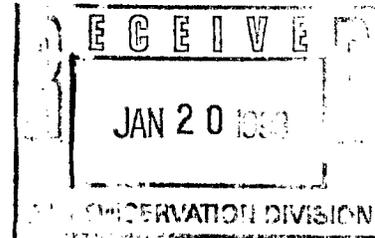
PERMIAN RESOURCES
INCORPORATED

January 15, 1998

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

ATTN: Mr. Michael Stogner

RE: Special Order Request
Non Standard Proration Unit
Jalmat Gas Field
Lea County, New Mexico



Dear Mr. Stogner:

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

Carlson B-27#2, 2310' FSL, 330' FWL
Section 27, Township 25 South, Range 37 East,
Lea County, New Mexico
Perforations: 3302-3235 Langlie Mattix(Queen)

This current zone has become marginal to operate in the current Langlie Mattix zone. The company has identified potential gas pay in the upper Yates-Seven Rivers zones and would like to re-complete from that zone. If productive those zones the well would be reclassified into the Jalmat (Tansil Yates Seven Rivers) Field.

Jalmat Gas field 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 120 acres it owns under common ownership. That proration unit will encompass the acreage below.

120 acres, more or less located in the
East Half of the Southeast Quarter(E/2 SE/4)
Southwest Quarter of the Southeast Quarter(SW/4 SE/4)
Section ~~23~~, Township 25 South, Range 37 East,
Lea County, New Mexico

We have included a listing of the active Jalmat offset operators, copies of letters to those operators, and a Form C-102 plat showing the location of the dedicated lands in proposed Non-Standard Proration Unit.

P. O. BOX 590 • MIDLAND, TEXAS 79702-0590
PHONE: (915) 685-0113 • FAX: (915) 685-3621

Page 2

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 partners.

If you have any questions please feel free to call.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Marshall". The signature is written in a cursive style with a large, prominent initial "R".

Robert Marshall
Vice President

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 27

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

Burlington Resources Oil & Gas
P.O. Box 51810
Midland, TX 79710

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

Doyle Hartman
P.O. Box 10426
Midland, TX 79702

Lanexco, Inc.
P.O. Box 2730
Midland, TX 79702

Chance Properties
P.O. Box 755
Hobbs, NM 88241

Bettis, Boyle, and Stoval
P.O. Box 1240
Graham, TX 76450

January 15, 1998

Chance Properties
P.O. Box 755
Hobbs, NM 88241

RE: Application for Non Standard Proration Unit
Jalmat (Tansil Yates Seven Rivers)
Lea County, New Mexico

Ladies and Gentlemen:

Permian Resources, Inc. is applying for Non Standard Proration Unit exception to the Jalmat Field rules in Lea County, New Mexico. I have enclosed a copy of the C-102 plat for your review. If you have any questions please feel free to call.

Sincerely,



Robert Marshall

January 15, 1998

Bettis, Boyle and Stoval
P. O. Box 1240
Graham, TX 76450

RE: Application for Non Standard Proration Unit
Jalmat (Tansil Yates Seven Rivers)
Lea County, New Mexico

Ladies and Gentlemen:

Permian Resources, Inc. is applying for Non Standard Proration Unit exception to the Jalmat Field rules in Lea County, New Mexico. I have enclosed a copy of the C-102 plat for your review. If you have any questions please feel free to call.

Sincerely,



Robert Marshall

January 15, 1998

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

RE: Application for Non Standard Proration Unit
Jalmat (Tansil Yates Seven Rivers)
Lea County, New Mexico

Ladies and Gentlemen:

Permian Resources, Inc. is applying for Non Standard Proration Unit exception to the Jalmat Field rules in Lea County, New Mexico. I have enclosed a copy of the C-102 plat for your review. If you have any questions please feel free to call.

Sincerely,


Robert Marshall

January 15, 1998

Burlington Resources Oil & Gas
P. O. Box 51810
Midland, TX 79710

RE: Application for Non Standard Proration Unit
Jalmat (Tansil Yates Seven Rivers)
Lea County, New Mexico

Ladies and Gentlemen:

Permian Resources, Inc. is applying for Non Standard Proration Unit exception to the Jalmat Field rules in Lea County, New Mexico. I have enclosed a copy of the C-102 plat for your review. If you have any questions please feel free to call.

Sincerely,


Robert Marshall

January 15, 1998

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

RE: Application for Non Standard Proration Unit
Jalmat (Tansil Yates Seven Rivers)
Lea County, New Mexico

Ladies and Gentlemen:

Permian Resources, Inc. is applying for Non Standard Proration Unit exception to the Jalmat Field rules in Lea County, New Mexico. I have enclosed a copy of the C-102 plat for your review. If you have any questions please feel free to call.

Sincerely,



Robert Marshall

January 15, 1998

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

RE: Application for Non Standard Proration Unit
Jalmat (Tansil Yates Seven Rivers)
Lea County, New Mexico

Ladies and Gentlemen:

Permian Resources, Inc. is applying for Non Standard Proration Unit exception to the Jalmat Field rules in Lea County, New Mexico. I have enclosed a copy of the C-102 plat for your review. If you have any questions please feel free to call.

Sincerely,



Robert Marshall

January 15, 1998

ARCO Permian
Box 1710
Hobbs, NM 88240

RE: Application for Non Standard Proration Unit
Jalmat (Tansil Yates Seven Rivers)
Lea County, New Mexico

Ladies and Gentlemen:

Permian Resources, Inc. is applying for Non Standard Proration Unit exception to the Jalmat Field rules in Lea County, New Mexico. I have enclosed a copy of the C-102 plat for your review. If you have any questions please feel free to call.

Sincerely,



Robert Marshall

January 15, 1998

Lanexco, Inc.
P. O. Box 2730
Midland, TX 79702

RE: Application for Non Standard Proration Unit
Jalmat (Tansil Yates Seven Rivers)
Lea County, New Mexico

Ladies and Gentlemen:

Permian Resources, Inc. is applying for Non Standard Proration Unit exception to the Jalmat Field rules in Lea County, New Mexico. I have enclosed a copy of the C-102 plat for your review. If you have any questions please feel free to call.

Sincerely,



Robert Marshall