

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

April 21, 1992



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Clayton W. Williams, Jr., Inc.
3000 Claydesta National Bank Building
Six Desta Drive
Midland, Texas 79705

Attention: David G. Grafe
Petroleum Engineer

Administrative Order NSL-2816(SD)-B

Dear Mr. Grafe:

Reference is made to your application dated December 20, 1991 (received April 15, 1992) for an unorthodox Jalmat Gas Well location in an existing standard 640-acre gas spacing and proration unit (GPU) for said Jalmat Gas Pool comprising all of Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was the subject, in part, of Division Order No. R-9073, dated December 14, 1989 (Paragraph No. (3) of Exhibit "A"), which authorized Hal J. Rasmussen Operating, Inc. to simultaneously dedicate thereon State "A" A/C-2 Well Nos. 43, 49 and 56 located, respectively in Units H, C and J of said Section 8 to this proration unit.

By Division Administrative Order NSL-2816(SD), dated June 28, 1990, three additional wells, the State "A" A/C-2 Well Nos. 24, 26 and 53, located at unorthodox gas well locations in Units I, B and N, respectively, were approved for the subject GPU. Authorization was also given in said NSL-2816(SD) to simultaneously dedicate Jalmat Gas production from the State "A" A/C-2 Well Nos. 24, 26, 43, 49, 53 and 56 to the subject GPU.

By Division Administrative Order NSL-2816(SD)-A, dated September 25, 1990, two additional wells, the State "A" A/C-2 Well Nos. 55 and 58, located at unorthodox gas well locations in Units P and L, respectively, were approved for the subject GPU. Authorization was also given in said NSL-2816(SD)-A to simultaneously dedicate Jalmat Gas production from the State "A" A/C-2 Well Nos. 24, 26, 43, 49, 53, 55, 56 and 58 to the subject GPU.

It is our understanding that the subject well in this application has recently been plugged back and recompleted from the South Eunice Seven Rivers Queen Pool to the Jalmat Gas Pool.

Clayton W. Williams, Jr., Inc.

Page 2

Administrative Order NSL-2816(SD-)B

April 21, 1992

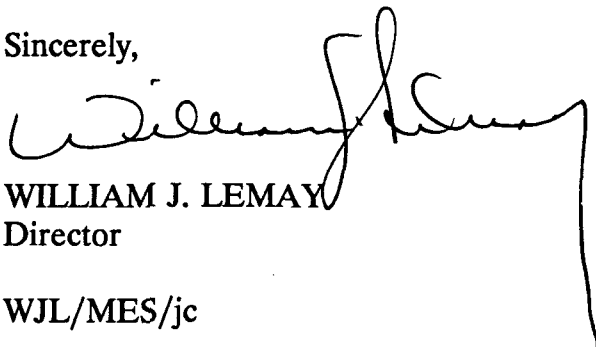
By authority granted me under the provisions of General Rule 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described well located at an unorthodox gas well location is hereby approved:

State "A" A/C-2 Well No. 70 (30-025-28279)
1295' FS & EL (Unit P)

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the State "A" A/C-2 Well Nos. 24, 26, 43, 49, 53, 55, 56, 58 and 70 to said GPU. Furthermore, you are hereby permitted to produce the allowable assigned to the proration unit from all wells in any proportion.

All of Division Administrative Orders NSL-2816(SD), dated June 28, 1990 and NSL-2816(SD)-A, dated September 25, 1990, and those provisions applicable to the subject GPU in Division Order No. R-9073 shall remain in full force and effect until further notice.

Sincerely,



WILLIAM J. LEMAY

Director

WJL/MES/jc

cc: Oil Conservation Division - Hobbs
NMSLO - Santa Fe
File: Case No. 9775
NSL-2816(SD)