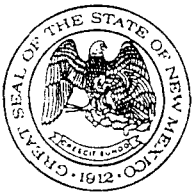


ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING
GOVERNORANITA LOCKWOOD
CABINET SECRETARY

January 31, 1994

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800ARCO Oil & Gas Company
P.O. Box 1610
Midland, TX 79702

Attention: David K. Newell

Administrative Order NSL-3342(SD)

Dear Mr. Newell:

Reference is made to your application dated January 5, 1994 to recomplete the Frederick H. Curry "WN" Well No. 5, located 660 feet from the South and West lines (Unit M) of Section 1, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico at an unorthodox gas well location in the Jalmat Gas Pool. Said well will be recompleted from the Langlie Mattix Pool to the Jalmat Gas Pool and have its production simultaneously dedicated to an existing non-standard 320-acre gas spacing and proration unit (GPU) comprising the S/2 of said Section 1, which currently has dedicated to it for Jalmat gas producing wells in Units P, K, L. and N of said Section 1.

Subsequent review of the Division's records concerning the wells currently dedicated to the subject GPU has lead the Division to issue an expanded order at this time and to supersede an existing administrative order issued in 1992. It appears that Division Administrative Order SD-92-11, dated December 4, 1992, did not adequately address all of the issues included in ARCO's application for simultaneous dedication and an unorthodox gas well location dated September 28, 1992 and November 3, 1992.

The subject 320-acre non-standard gas spacing and proration unit was originally authorized by Division Order No. R-2889, dated March 30, 1965 and had dedicated thereon the Frederick H. Curry "WN" Well No. 1, located at an unorthodox gas well location 660 feet from the South and East lines (Unit P) of said Section 1.

Currently the following Frederick H. Curry "WN" lease wells are authorized to have Jalmat Gas production simultaneously dedicated with the Frederick H. Curry "WN" Well No. 1 in the subject 320-acre GPU:

- ✓ Well No. 2, recompleted to the Jalmat Gas Pool in 1989 and located at a standard gas well location 660 feet from the South line and 1980 feet from the West line (Unit N);

- ✓ *Well No. 4*, recompleted to the Jalmat Gas Pool in November, 1993 and located at a standard gas well location 1980 feet from the South and West lines (Unit K); and,
- ✓ *Well No. 6*, recompleted to the Jalmat Gas Pool in mid-1993 and located at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line (Unit P).

Approval of the three above-described wells to any applicable rules or regulations governing the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, as it relates to the simultaneous dedication of gas production and well location restrictions shall be made retroactive to the date of each individual well's recompletion.

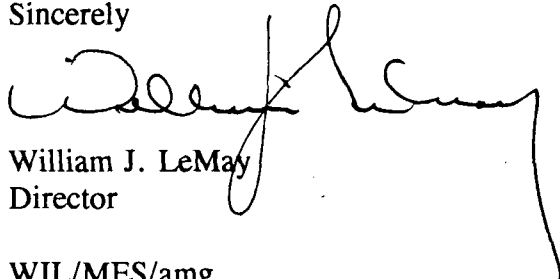
Further, by the authority granted me under the provisions of Rule 2(c) of said special Jalmat Gas Pool rules, the following described well, to be recompleted from the Langlie Mattix Pool to the Jalmat Gas Pool at an unorthodox gas well location is hereby approved:

Frederick H. Curry "WN" Well No. 5
660' FS & WL (Unit M).

Also, ARCO is hereby authorized to simultaneously dedicate Jalmat Gas Pool production from the No. 5 well with the previously approved Well Nos. 1, 2, 4 and 6. The assigned allowable for the subject GPU may be produced from all five wells in any proportion.

Division Administrative Order SD-92-11 is hereby superseded by this order and all provisions of Order No. R-2889 shall remain in full force and effect until further notice.

Sincerely



William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs
File: SD-92-11