



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

December 16, 1994

Meridian Oil, Inc.
P. O. Box 51810
Midland, Texas 79710-1810

Attention: Donna Williams

Administrative Order NSL-3445 (SD)

Dear Ms. Williams:

Reference is made to your application dated November 16, 1994, for a non-standard Jalmat gas well location in an existing non-standard 120-acre gas spacing and proration unit (GPU) for said Jalmat Gas Pool comprising the NW/4 SW/4 and S/2 NW/4 of Section 33, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Administrative Order NSP-1661(SD), dated February 1, 1993 and currently has dedicated thereon the El Paso Tom Federal Well No. 7 (API No. 30-025-11881), located at a standard gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of said Section 33.

It is our understanding that the subject well to be considered in this application is currently a producing oil well in the Langlie-Mattix Pool and upon issuance of this order will be recompleted up-hole into the Jalmat Gas Pool.

By authority granted me under the provisions of 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 Jalmat gas well location is hereby approved:

*R. O. Gregory Well No. 3
330' FSL - 660' FWL (Unit M) of said Section 33
API No. 30-025-11874*

Also, you are hereby authorized to simultaneously dedicate Jalmat gas production from the El Paso Tom Federal Well No. 7 with the R. O. Gregory Well No. 3. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from both wells in any proportion.

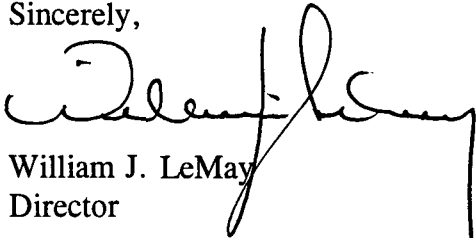
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All provisions of said Division Administrative Order NSP-1661(SD) relating to this GPU shall remain in full force and effect until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', with a long horizontal stroke extending to the right.

William J. LeMay
Director

WJL/MES

cc: Oil Conservation Division - Hobbs
U. S. BLM - Carlsbad
File: NSP-1661(SD)