



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

August 27, 1996

Texaco Exploration & Production Inc.
205 E. Bender Blvd.
Hobbs, New Mexico 88240
Attention: Paula S. Ives

Administrative Order NSL-3600-A(SD)

Dear Ms. Ives:

Reference is made to your application dated August 1, 1996 for an unorthodox Jalmat gas well location in an existing non-standard 168.02-acre gas spacing and proration unit ("GPU") for said Jalmat Gas Pool comprising Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 1, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was established by Division Order No. R-520, dated August 12, 1954 and had dedicated thereon the King "C" Well No. 1 (API No. 30-025-09199,) located 2117 feet from the North line and 1980 feet from the East line (Unit G) of said Section 1.

By Division Administrative Order NSL-3600, dated November 22, 1995, an additional well, the King "C" Well No. 5 (API No. 30-025-09203), located at an unorthodox gas well location 1123 feet from the North line and 990 feet from the East line (Lot 1/Unit A) of said Section 1 was approved for the subject GPU.

It is our understanding that the subject well in this application is currently completed as a Langlie Mattix oil well; however, said well will be plugged back and re-completed up hole in the Jalmat Gas Pool upon issuance of this order.

It is our understanding that the subject well in this application, the King "C" Well No. 2 (API No. 30-025-09200), was drilled in 1958 to a total depth of 3,720 feet and completed in the Langlie-Mattix Pool at a standard oil well location for said pool 330 feet from the North line and 2310 feet from the East line (Lot 2/Unit B) of said Section 1. It is further understood that the Langlie-Mattix zone is to be properly plugged back at this time and that said well will be recompleted to the Jalmat Gas Pool upon issuance of this order.

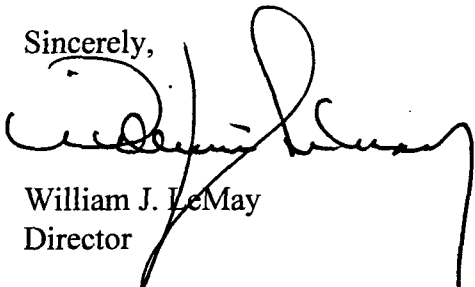
By authority granted me under the provisions of Rule 2(d) of the "*Special Rules and Regulations for the Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended,

Administrative Order NSL-3600-A(SD)
Texaco Exploration & Production Inc.
August 27, 1996
Page 2

the above-described King "C" Well No. 2, located at an unorthodox Jalmat gas well location is hereby approved.

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the King "C" Well No. 2 with the King "C" Well Nos. 1 and 5. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all three wells in any proportion.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay", is written over the typed name and title.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division Hobbs
File: NSL-3600