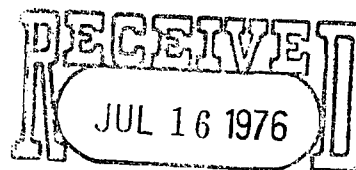


BURLESON & HUFF
OIL PROPERTIES
BOX 2479 - PHONE 683-4747
MIDLAND, TEXAS 79701
July 14, 1976



OIL CONSERVATION COMM.

Santa Fe

NSP-1029

104 D II

due Aug 15

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Exxon No. 1, NW/4 SE/4 of
Section 21, T-25-S, R-37-E,
Lea County, New Mexico

Gentlemen:

On May 5, 1976 we completed our No. 1 Exxon well as a gas producer from the Yates formation in the Jalmat Gas Pool. The well is located 1980 feet from the south and east lines of Section 21, T-25-S, R-37-E, Lea County. Our lease acreage on which the well is situated and which we earned through farmout from Exxon Company, U. S. A. consists solely of the NW/4 SE/4 of Section 21, T-25-S, R-37-E, Lea County, New Mexico. Also this well was formerly a Jalmat gas producer when it was owned and operated by Exxon Company, U. S. A. and at that time the captioned acreage was the approved spacing unit for Jalmat gas production. We therefore request that you approve a non-standard gas spacing unit for our well in the Jalmat Gas Pool consisting of the NW/4 SE/4 of Section 21.

Three copies of plat showing the location of our well and our proposed spacing unit are enclosed. The proposed unit is outlined in red.

Copies of this application and plat have been sent to all offsetting operators as follows:

Aztec Gas Systems, Inc.
P. O. Box 1164
Midland, Texas 79701

Bettis, Boyle & Stovall
P. O. Box 1168
Graham, Texas 76046

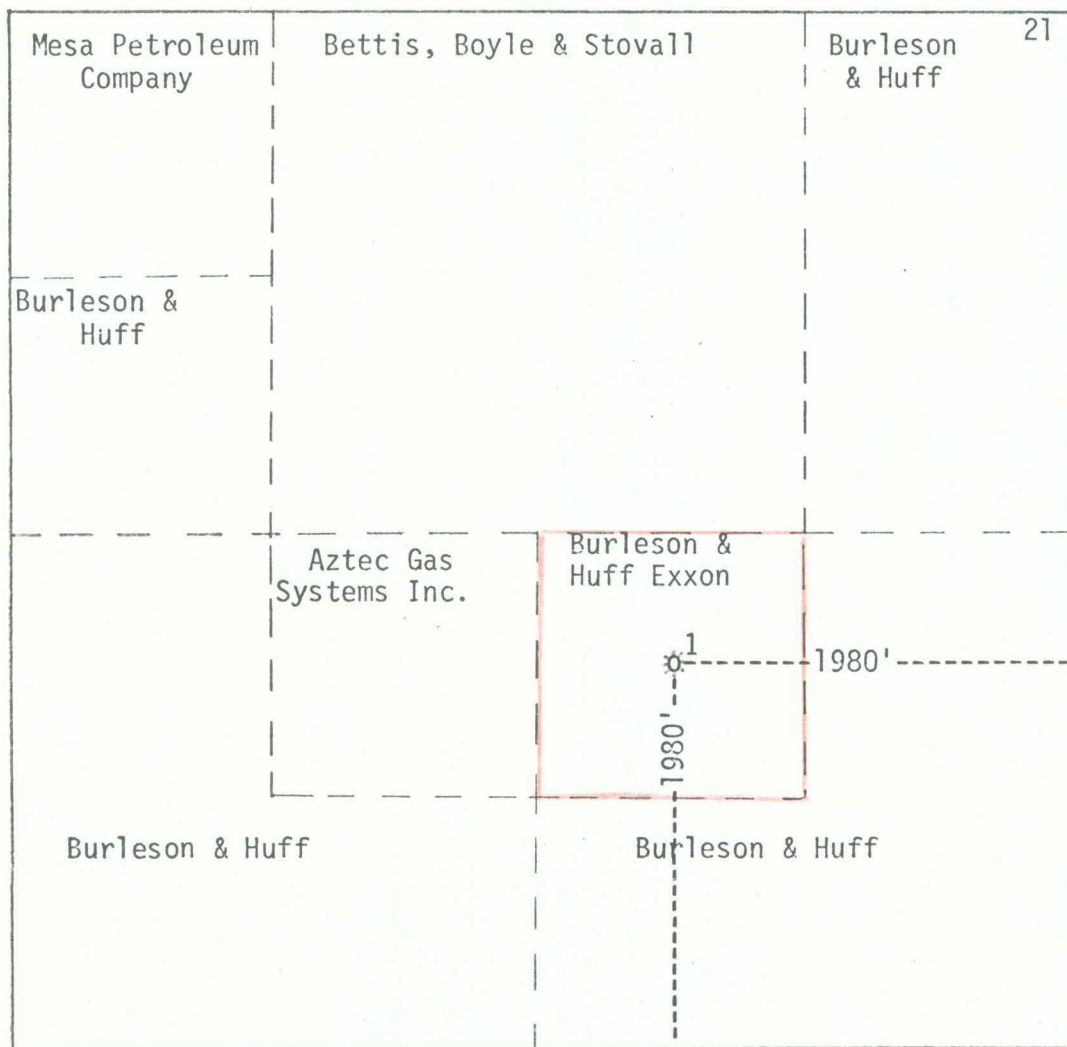
Yours very truly,

BURLESON & HUFF

Jack Huff

JH/sw

Enc:



BURLESON & HUFF EXXON LEASE
 NW/4 SE/4 of Section 21
 Township 25 South, Range 37 East,
 LEA COUNTY, NEW MEXICO



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 4, 1999

Gruy Petroleum Management Company
P. O. Box 140907
Irving, Texas 75014-0907
Attention: Zeno Farris

Telefax No. (972) 443-6450

Administrative Order SD-99-12

Dear Mr. Farris:

Reference is made to your letter addressed to the New Mexico Oil Conservation Division's ("Division") District Office in Hobbs, New Mexico and dated October 12, 1999. Gruy Petroleum Management Company ("Gruy") is hereby authorized to simultaneously dedicate gas production from the Jalmat Gas Pool to the previously approved non-standard 160-acre gas spacing and proration unit ("GPU") comprising the SW/4 of Section 2, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico (approved by Division Administrative Order NSP-1028, dated August 5, 1976) from the: (i) existing Cooper State Well No. 1 (**API No. 30-025-25285**) located at a standard gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 2; (ii) existing Cooper State Well No. 2 (**API No. 30-025-26039**) located at an unorthodox gas well location (approved by Division Administrative Order NSL-983, dated September 19, 1978) 2310 feet from the South and West lines (Unit K) of Section 2; and (iii) proposed Cooper State Well No. 3 to be drilled at a standard gas well location 1686 feet from the South line and 660 feet from the West line (Unit L) of Section 2.

Gruy is hereby authorized to simultaneously dedicate Jalmat gas production from the proposed Cooper State Well No. 3 with the existing Cooper State Wells No. 1 and 2. Furthermore, Gruy is hereby permitted to produce the allowable assigned the subject 160-acre GPU from these three wells in any proportion

Further, all provisions of Division Administrative Orders NSP-1028 and NSL-983 shall remain in full force and affect until further notice.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSP-1029 /
NSL-983