STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY December 4, 1992

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

ARCO Oil and Gas Company P.O. Box 1610 Midland, TX 79702

Attention: Kevin D. Renfro

Administrative Order SD-92-9

Dear Mr. Renfro:

Per your application dated September 28, 1992, you are hereby authorized to simultaneously dedicate Jalmat Gas Pool production to the previously approved non-standard 160-acre gas spacing and proration unit comprising the SE/4 of Section 9, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico (Division Order NSP-886, dated June 8, 1972), from the existing State 157 A Well No. 4 located at a standard gas well location 1980 feet from the South line and 660 feet from the E line (Unit I) of said Section 9 and to the State 157 A Well No. 1 to be recompleted from the Eunice Seven Rivers Queen South Pool and located at a standard location 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 9.

Further, you are permitted to produce the allowable assigned said 160-acre unit from both wells in any proportion.

Sincerely, William J. LeMay Director WJL/MES/amg

cc: Oil Conservation Division - Hobbs