

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION



July 6, 1995

**Prime Operating Company
North Park Executive Center
731 Wadley Avenue - Suite L-220
Midland, Texas 79705-5351**

Attention: Runell A. Seale

Administrative Order NSP-1056-A(L)(SD)

Dear Ms. Seale:

Reference is made to your applications dated February 28 and May 15, 1995 for a 240-acre non-standard gas spacing and proration unit ("GPU") consisting of the following acreage in the Jalmat Gas Pool:

**LEA COUNTY, NEW MEXICO
TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM
Section 1: S/2 NE/4 and SE/4**

It is my understanding that this unit is to be simultaneously dedicated to the existing Wells "B-1" Well No. 4 (API No. 30-025-25532), located at a standard gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 1 and to the newly drilled Wells "B-1" Well No. 7 (API No. 30-025-32756), located at an unorthodox gas well location 1930 feet from the North line and 1780 feet from the East line (Unit G) of said Section 1.

By authority granted me under the provisions of Rule 2(a)4 and 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool as promulgated by Division Order No. R-8170, as amended, the above-described 240-acre non-standard gas spacing and proration unit and unorthodox gas well location for the Wells "B-1" Well No. 7 are hereby approved. Also, you are hereby permitted to produce the allowable assigned the subject GPU, in accordance with Rule 5 of said pool rules based upon a unit size of 240 acres, from both wells in any proportion.

VILLAGRA BUILDING - 408 Galisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

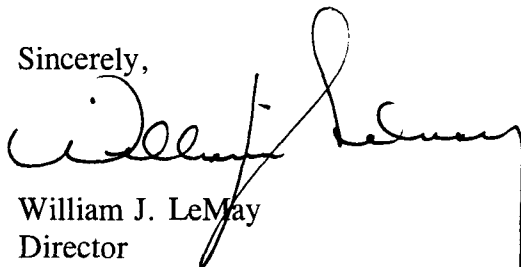
Mining and Minerals
827-5970

Oil Conservation
827-7131

Administrative Order NSP-1056-A(L) (SD)
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Division Administrative Order NSP-1056, dated August 17, 1977, which created the existing 160-acre non-standard gas spacing and proration unit comprising the SE/4 of said Section 1, currently dedicated to the Wells "B-1" Well No. 4 , shall be placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', is written over the typed name and title. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
File: NSP-1056 ✓



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

March 11, 1996

**Prime Operating Company
North Park Executive Center
731 Wadley Avenue - Suite L-220
Midland, Texas 79705-5351**

Attention: Runell A. Seale

Administrative Order NSP-1056-B(L)

Dear Ms. Seale:

Reference is made to your application dated February 5, 1996 to reduce the acreage of the existing 240-acre non-standard gas spacing and proration unit ("GPU") in the Jalmat Gas Pool comprising the S/2 NE/4 and SE/4 of Section 1, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, which was approved by Division Administrative Order NSP-1056-A(L)(SD), dated July 6, 1995, by omitting the 40 acres comprising the NE/4 SE/4 (Unit I) of said Section 1 from said GPU. Said Order NSP-1056-A(L)(SD) further authorized the simultaneous dedication of the 240-acre unit to the Well "B-1" Well No. 4 (**API No. 30-025-25532**), located at a standard gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 1 and the Well "B-1" Well No. 7 (**API No. 30-025-32756**), located at an unorthodox gas well location 1930 feet from the North line and 1780 feet from the East line (Unit G) of said Section 1.

It is our understanding that such reduction of acreage is necessary due to the re-classification of the Wells "B-1" Well No. 4 as a Jalmat oil completion.

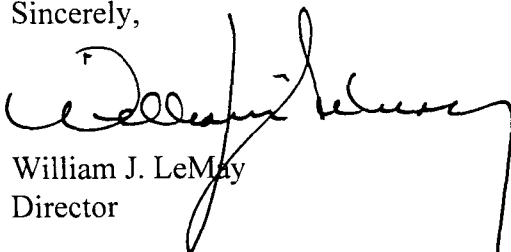
By authority granted me under the provisions of Rule 2(d) of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended, the following described 200-acre non-standard gas spacing and proration unit is hereby approved:

LEA COUNTY, NEW MEXICO
TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM
Section 1: S/2 NE/4, W/2 SE/4, and SE/4 SE/4

Administrative Order NSP-1056-B(L)
Prime Operating Company
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Authorization of said Wells "B-1" Well No. 7, as an unorthodox gas well location in the Jalmat Gas Pool approved by said Order NSP-1056-A(L)(SD), is hereby continued under the provisions of this order; however, all other provisions of said order shall be placed in abeyance until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
US Bureau of Land Management - Carlsbad
File: NSP-1056
NSP-1056-A(L)(SD)