STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



EDRUG FREE

BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY December 10, 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 NSP-1655(NSL)(SD) (Administrative Amendment to Division Order No. R-4987)

Dear Mr. Renfro:

By Division Order No. R-4987, dated March 25, 1975, a 320-acre non-standard Jalmat gas spacing and proration unit comprising the SE/4 of Section 12 and the NE/4 of Section 13, both in Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, was authorized to be dedicated to the G.W. Toby "WN" Gas Com Well No. 4 located 1880 feet from the South line and 760 feet from the East line (Unit I) of Section 12, the G.W. Toby "WN" Gas Com Well No. 1 located 660 feet from the South and East lines (Unit P) of said Section 12 and the G.W. Toby "WN" Gas Com Well No. 1-A (now known as the No. 2 well) located 660 feet from the North and East lines (Unit A) of Section 13.

Reference is made to your application dated October 26, 1992 to reduce said 320-acre unit by deleting the SE/4 NE/4 (Unit H) of said Section 13, which is being utilized by Zia Energy, Inc. as a 40-acre oil spacing and proration unit in the Jalmat Oil Pool for their Toby Well No. 1 located 2310 feet from the North and 330 feet from the East line of said Section 13.

By authority granted me under the provisions of Rule 2(a)4 of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, a 280-acre non-standard gas spacing and proration unit in said pool comprising the SE/4 of said Section 12 and the N/2 NE/4 and SW/4 NE/4 of said Section 13 is hereby approved. Also, the resulting unorthodox gas well location for the No. 2 well (the former No. 1-A well) is approved under the provisions of Rule 2(c) of said Order No. R-8170, as amended.

Administrative Order NSP-1655(NSL)(SD) ARCO Oil and Gas Company December 10, 1992 Page 2

That portion of Order No. R-4987 authorizing a 320-acre non-standard gas proration unit shall be placed in abeyance until further notice, all other provisions shall remain in full force and effect.

Sincerely, William J. LeMay Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs Larry Van Ryan - Chief, Gas Proration