



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

November 14, 1997

Permian Resources, Inc.
P.O. Box 590
Midland, TX 79702-0590
Attention: Robert Marshall

Administrative Order NSP-1781(L)

Dear Mr. Marshall:

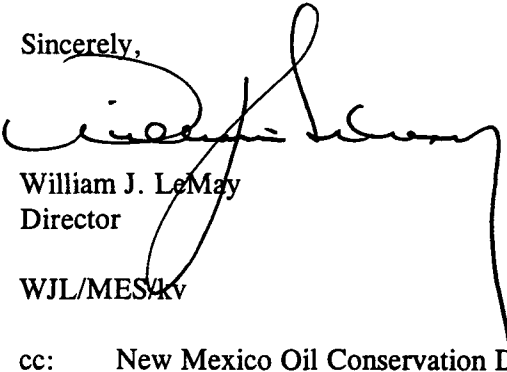
Reference is made to your application dated October 16, 1997, as amended by letter dated October 28, 1997, for an 80-acre non-standard gas spacing and proration unit ("GPU") consisting of the following acreage in the Jalmat Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 22: N/2 SE/4.

It is our understanding that this unit is to be dedicated to the existing Harrison Well No. 3 (API No. 30-025-11699), which is currently completed in and producing from the Langlie Mattix-Seven Rivers-Queen-Grayburg Pool at a standard oil well location 1650 feet from the South and East lines (Unit J) of said Section 22. Upon issuance of an order by the Division in this matter, said Harrison Well No. 3 is to be recompleted up-hole into the Jalmat Gas Pool. This location, pursuant to **Rule 4(b)2** 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, is considered to be "unorthodox."

By the authority granted me under the provisions of **Rule 2(d)** of said special pool rules the above-described 80-acre non-standard gas spacing and proration unit and unorthodox gas well location for the Harrison Well No. 3 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 80 acres.

Sincerely,


William J. LeMay
Director

WJL/MES/rv

cc: New Mexico Oil Conservation Division - Aztec
New Mexico State Land Office / Santa Fe