



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

November 4, 1992

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

Clayton W. Williams, Jr., Inc.
3000 Claydesta National Bank Bldg.
Six Desta Drive
Midland, TX 79705

Attention: David G. Grafe

Administrative Order NSL-2872-B(SD)

Dear Mr. Grafe:

Reference is made to your application dated October 10, 1992 for an unorthodox Jalmat gas well location in an existing non-standard 480-acre gas spacing and proration unit (GPU) for said Jalmat Gas Pool comprising the N/2 and SW/4 of Section 9, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order No. R-9073, dated December 14, 1989 (Paragraph No. (4) of Exhibit "A") and had dedicated thereon the State "A" A/C-2 Well Nos. 38, 40 and 63 located respectively, in Units K, A and C of said Section 9 to this proration unit.

By Division Administrative Order NSL-2872 and NSL-2872-A, dated September 25, 1990 and January 14, 1991, respectively, five more wells, the State "A" A/C-2 Well Nos. 29, 52, 57, 67 and 72, all located at unorthodox gas well locations in Units D, H, G, K and K, respectively, of said Section 9 were approved for the subject GPU.

Authorization was also give in said administrative order to simultaneously dedicate Jalmat Gas production from the State "A" A/C-2 Well Nos. 29, 38, 40, 52, 57, 63, 67 and 72 to the subject GPU.

It is our understanding that the subject well to be considered at this time is currently completed in the South Eunice Seven Rivers Queen Pool, however, said well will be plugged back to the Jalmat Gas Pool upon issuance of this order.

Administrative Order NSL-2872-A

Clayton W. Williams, Jr., Inc.

November 4, 1992

Page 2

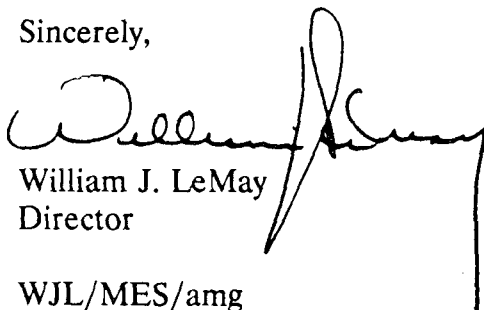
By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described well located at an unorthodox gas well location is hereby approved:

State "A" A/C-2 Well No. 1
660' FSL - 1980' FWL (Unit N)

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the State "A" A/C-2 Well Nos. 29, 38, 40, 52, 57, 63, 67 and 72 with the State "A" A/C-2 Well No. 1. Furthermore, you are hereby permitted to produce the allowable assigned the GPU from all of the said wells in any proportion.

All provisions applicable to the subject GPU in Division Order No. R-9073 and Division Administrative Orders NSL-2872 and NSL-2872-A shall remain in full force and effect until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe
File: Case No. 9775
NSL-2872
NSL-2872-A