

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

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

July 30, 1991

Meridian Oil, Inc.
P.O. Box 51810
Midland, Texas 79710-1810

Attention: Connie L. Malik

Administrative Order NSL-3034(SD)

Dear Ms. Malik:

Reference is made to your application dated July 5, 1991 for an unorthodox Eumont gas well location in an existing non-standard 156.80-acre, more or less, gas spacing and proration unit (GPU) for said Eumont Gas Pool comprising Lot 3, NE/4 SW/4 and SE/4 of Section 7, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order No. R-998, dated May 10, 1957 and presently has dedicated thereon the H.T. Mattern Well No. 1 located in Unit L of said Section 7.

It is our understanding that the subject well to be considered at this time is temporarily abandoned in the Arrowhead Grayburg Pool, however, said well will be plugged back to the Eumont Gas Pool upon issuance of this order.

By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described well located at an unorthodox gas well location in said Section 15 is hereby approved:

H.T. Mattern Well No. 2
1650' FS & WL (Unit K)

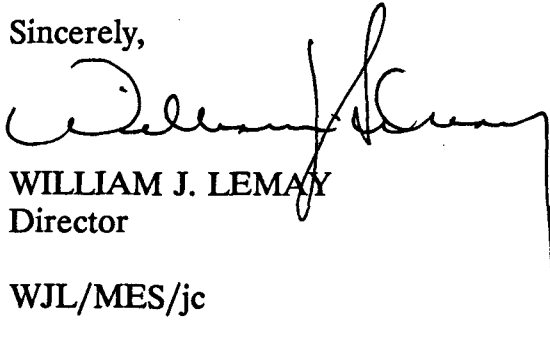
Meridian Oil, Inc.

Administrative Order NSL-3034(SD)

Page 2

Also, you are hereby authorized to simultaneously dedicate Eumont Gas production from the H.T. Mattern Well No. 1 with the H.T. Mattern Well No. 2. Furthermore, you are hereby permitted to produce the allowable assigned the GPU from both of the said wells in any proportion.

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/jc

cc: Oil Conservation Division - Hobbs