



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

June 2, 1995

Conoco, Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500

Attention: Jerry Hoover

Administrative Order NSL-3416-A(SD)

Dear Mr. Hoover:

Reference is made to your application dated April 28, 1995 for an unorthodox Jalmat gas well location in an existing non-standard 320-acre gas spacing and proration unit ("GPU") for said Jalmat Gas Pool comprising the N/2 of Section 17, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order No. R-4779, as amended, which also approved the simultaneous dedication of said GPU to the Jack "B-17" Well No. 3 (API No. 30-025-11130), located at a standard gas well location 990 feet from the North and East lines (Unit A) of said Section 17, and to the Jack "B-17" Well No. 4 (API No. 30-025-24622), located at a standard gas well location 990 feet from the North line and 1980 feet from the West line (Unit C) of said Section 17.

By Division Administrative Order NSL-3416(SD), dated August 2, 1994, an additional well, the Jack "B-17" Well No. 2 (API No. 30-025-11129), located at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of said Section 17 was approved for the subject GPU.

It is our understanding that the subject well in this application is currently completed as a Langlie Mattix oil well; however, said well will be plugged back and re-completed up hole in the Jalmat 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 Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended, the following described well located at an unorthodox Jalmat gas well location is hereby approved:

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Conoco, Inc.

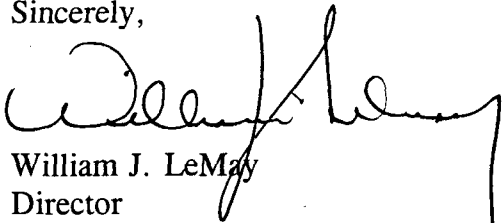
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*Jack "B-17" Well No. 5
1650' FNL & 660' FEL (Unit H) of said Section 17
API No. 30-025-26298*

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the Jack "B-17" Well No. 5 with the Jack "B-17" Well Nos. 2, 3, and 4. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all four wells in any proportion.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
File: NSL-3416(SD)