



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

May 27, 1997

Southwest Royalties, Inc.
Southwest Royalties Building
407 N. Big Spring
Midland, Texas 79702-8390
Attention: Beverly Hatfield

Administrative Order NSL-3798(SD)

Dear Ms. Hatfield:

Reference is made to your applications dated April 1 and May 7, 1997 for two unorthodox Jalmat gas well locations within an existing non-standard 320.51-acre gas spacing and proration unit ("GPU") for said Jalmat Gas Pool comprising Lots 1 and 2, the S/2 NE/4, and SE/4 (E/2 equivalent) of Section 6, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was established by Division Administrative Order NSP-6, dated September 30, 1954 and had dedicated thereon the Tom Closson Well No. 1 (API No. 30-025-08801) located at a standard gas well location 2310 feet from the South line and 1650 feet from the East line (Unit J) of said Section 6.

It is our understanding that the subject wells in this application have recently been plugged back from the South Eunice-Seven Rivers Queen Pool and recompleted up-hole into the Jalmat Gas Pool.

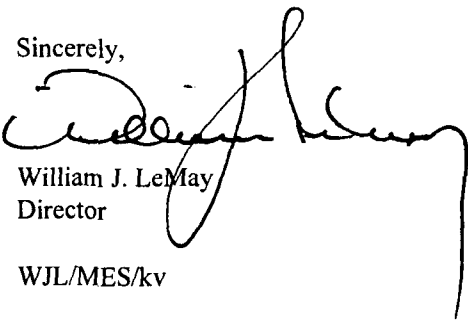
By authority granted me under the provisions of Rule 2(d) of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Jalmat Gas Pool", as promulgated by Division Order No. R-8170, as amended, the following two described wells located at unorthodox Jalmat gas well locations are hereby approved:

Tom Closson Well No. 5
660' FNL & 1980' FEL (Lot 2/Unit B)
API No. 30-025-08805

Tom Closson Well No. 6
660' FSL & 1980' FEL (Unit O)
API No. 30-025-08806

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the Tom Closson Well No. 1 with the Tom Closson Well Nos. 5 and 6. Furthermore, Southwest Royalties, Inc. is hereby permitted to produce the allowable assigned the subject GPU from all three 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: NSP-6