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STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

February 29, 1996

McDonnold Operating, Inc. 505 N. Big Spring - Suite 204 Midland, Texas 79702 Attention: Linda Johnston

Administrative Order NSP-1752

Dear Ms. Johnston:

Reference is made to your application dated January 29, 1996 for an 80-acre non-standard gas spacing and proration unit consisting of the following acreage in the Eumont Gas Pool:

LEA COUNTY, NEW MEXICO TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM

Section 35: S/2 SW/4

It is my understanding that this unit is to be dedicated to the existing L. W. White (NCT-B) Tract "A" Well No. 4 (API No. 30-025-04411), located at a standard gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 35.

By the authority granted me under the provisions of Rule 2(a)4 of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Eumont Gas Pool", as promulgated by Division Order No. R-8170, as amended, you are hereby authorized to operate the above-described non-standard gas spacing and proration unit, with allowable assigned thereto in accordance with Rule 5 of said special pool rules based upon the unit size of 80 acres.

Sincerely,

William J. LeMa

Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs