



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

BRUCE KING  
GOVERNOR

March 16, 1993

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
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Black Resources Inc.  
1100 Mustang Trail  
Granbury, TX 76049-5621

Attn: William D. Black

RE: Proposed Re-entry  
State 157 B #1-C Sec. 7, T22S, R36E  
State 157 B #2-F Sec. 7, T22S, R36E

Gentlemen:

This will confirm your conversation with Evelyn Downs of this office concerning the re-entry of the above-referenced wells and completion in the Jalmat Tansill-Yates-Seven Rivers Pool.

A standard gas proration unit in the Jalmat-T-Y-SR Pool is 640 acres, so we are unable to approve the re-entry of these wells as proposed gas wells in the Jalmat pool without approval of non-standard proration unit and non-standard locations.

As Evelyn discussed with you we have approved the re-entry work as proposed oil wells in the Jalmat pool which are spaced on 40-acre proration units. If upon completion your wells have a GOR of 100,000/1 or more then they will need to be classified as Jalmat gas wells and will require some additional paper work. However, if the GOR is less than 100,000/1 they will be classified as oil wells in the Jalmat Pool and will have a casing-head gas allowable of 800 mcf/d.

Gas wells in the Jalmat pool come under the Jalmat Prorated Gas and the allowable is set for these wells for six month periods April/Sept and October/March. The minimum gas allowable for 160 acres in the Jalmat Prorated gas is 600 mcf/d. It can be set higher but will not go any lower than that amount.

You have the State 157 B #3 located on this 160 acre lease which is completed in the Jalmat Pool and is currently classified as an oil well so you will only have 120 acres to dedicated to Jalmat Gas. Under our rules you could use this 120 acres to dedicated to both the #1 and #2 if they are gas wells.

If you have questions, please contact me.

Very truly yours,

Jerry Sexton  
Supervisor, District I

