HAL J. RASMUSSEN OPERATING, INC.

Six Desta Drive, Suite 2700 Midland, Texas 79705 (915) 687-1664

March 23, 1991

Mr. William J. LeMay New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

RE: Administrative approval for a non-standard gas proration unit in the Jalmat Gas Pool, Lea Co. New Mexico.

Dear Mr. LeMay:

Hal J. Rasmussen Operating, Inc. respectfully requests administrative approval of a non-standard gas proration unit in the Jalmat Gas Field, Lea Co. New Mexico. Due to the recent recompletion of the Ares State # 1-A, section 16 T23S, R36E, as a Jalmat Gas well Hal J. Rasmussen Operating Inc. requests the formation of a 120 acre non-standard gas proration unit consisting of the S 1/2 of the NE 1/4 and the NE 1/4 of the NE 1/4 of section 16, T23S, R36E, Lea Co. New Mexico, and proposes to dedicate this acreage to the Ares State # 1-A, # 2-H, and the # 4-G. The # 2-H and the # 4-G are currently TA'd Jalmat oil wells and HJR proposes to recomplete these in the gas producing sections of the Tansill and the upper Yates.

A plat showing the locations of the above wells and the proposed 120 acre proration unit along with offset operators identified is included. All offset operators have been notified of this application by certified mail and return receipts will be forwarded to Sante Fe when received.

If you have any questions or need any further information please contact Bonita Gilbert at (915) 687-1664.

Sincerely Bantis Allert

Bonita Gilbert Hal J Rasmussen Operating Inc.

cc: Oil Conservation Division P. O. Box 1980 Hobbs, New Mexico 88241-1980

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OFFSET OPERATORS

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Ares State #1-A

Meridian Oil Corp. Attn: Mr. Jim Cramer 21 Desta Drive Midland, TX 79705

Conoco Inc. Attn: Mr. W. W. Baker P. O. Box 460 Hobbs, NM 88240

Texaco Producing Inc. Attn: Mr. James Head P. O. Box 728 Hobbs, NM 88240

Maralo Inc. P. O. Box 832 Midland, TX 79701

Lanexco Inc. Attn: Mr. Robert Lansford P. O. Box 2736 Midland, TX 79702